



**Wespath**

BENEFITS | INVESTMENTS

SUMMARY PLAN DESCRIPTION

# HealthFlex





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## WELCOME

The General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois [doing business as Wespath Benefits and Investments (Wespath)] has prepared this Summary Plan Description (SPD) to help you understand your group health plan and cafeteria plan coverage. Please read it carefully.

## ABOUT THE PLAN

The General Conference of The United Methodist Church established a welfare benefit plan for clergy and lay employees effective January 1, 1961. Wespath maintains the Hospitalization and Medical Expense Program, more commonly known as HealthFlex (Plan), for the benefit of clergy and lay Employees (and their eligible Dependents) of The United Methodist Church.

The Plan is a “Church Plan” as defined in §414(e) of the Internal Revenue Code (Code), as amended, and §3(33) of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan’s status as a Church Plan has a significant legal meaning; you can read more about it in the section titled *Miscellaneous Important Provisions*.

## SERVING THE UNITED METHODIST CHURCH

The General Conference established Wespath to supervise and administer the employee benefit plans of The United Methodist Church. Wespath, in accordance with the provisions of *The Book of Discipline*, administers the Plan for the benefit of its Participants and Plan Sponsors to better enable them to serve the Church. You can help Wespath be a good steward by ensuring that the information you provide your Plan Sponsor and Wespath is timely and accurate.

## EXPLANATION OF TERMS

You will find terms starting with capital letters throughout this SPD. Most of these terms are explained in the Definitions section of this SPD; others may be defined in the text.

## PLAN SPONSOR

Your Plan Sponsor is the employer or Conference through which you have coverage under the Plan. Your Plan Sponsor has elected to participate in the Plan through an Adoption Agreement with Wespath. If you have questions about your benefits under the Plan, you may contact your Plan Sponsor in addition to Wespath.

## YOUR RESPONSIBILITY TO PROVIDE ACCURATE INFORMATION

The Plan Administrator and its Claims Administrators rely on information provided by you when evaluating coverage and benefits under the Plan. All information you provide, therefore, must be accurate, truthful and complete. Any fraudulent statement, omission or concealment of facts, misrepresentation or incorrect information may result in the denial of a Claim, cancellation or rescission of coverage or any other legal remedy available to the Plan.

## QUESTIONS

If you have questions about the benefit plans administered by Wespath, please do not hesitate to contact us. For more information, please visit our website at [wespath.org](http://wespath.org). Or you may call Wespath’s Health Team at **1-800-851-2201**.

## IMPORTANT NOTICES

### **Right to Amend the Plan**

Wespath reserves the right to amend or modify the Plan in any manner, for any reason permitted by law, at any time and without prior notification.

### **Coverage Not Vested or Guaranteed**

Coverage through HealthFlex as an Employee, Participant, Dependent or retired Participant is not a vested benefit—i.e., it is not guaranteed to continue. Wespath unequivocally reserves the right to amend or terminate HealthFlex at any time. In addition, your Plan Sponsor has reserved the right to terminate its participation in the active participant and retiree portions of HealthFlex, and may have reserved the authority to amend its cost-sharing policies or terminate its health plan for Employees and retired Participants.

### **HIPAA**

The privacy of your health records is protected by specific security and privacy regulations under the Health Insurance Portability and Accountability Act (HIPAA). Under HIPAA, Wespath personnel and Plan representatives and agents (such as Claims Administrators) may not release Protected Health Information (PHI) to your Plan Sponsor or Spouse (or any other third party) unless required by law or you authorize the release. Wespath *Notice of Privacy Practices* describes the Plan's privacy practices and your rights to access your records. The notice is available on the Wespath website at [wespath.org/assets/1/7/3157.pdf](https://wespath.org/assets/1/7/3157.pdf).

### **Claims Administrators**

The Claims Administrators for the Plan that Wespath has engaged through administrative service agreements, contracts and insurance policies (Contracts), provide the Plan's access to networks of health care providers, certain communications, identification cards, Claims processing, Claims payment, Claims determination and Claims appeals. Wespath has assigned many of its administrative duties with respect to the Plan to the Claims Administrators. In addition, pursuant to the terms of the Plan Document that governs HealthFlex, Wespath has delegated certain fiduciary responsibilities and duties to the Claims Administrators. Wespath has delegated the administrative authority to review, approve and deny Claims for medical, prescription drug, dental, mental health and vision benefits to the Claims Administrators. The Claims Administrators make all determinations of medical necessity or medical appropriateness; they have the duty and authority to determine whether a particular benefit, procedure or service is covered by the Plan. The Claims Administrators also hold the authority to hear and decide appeals of denied claims for benefits under the Plan. Wespath does not have the authority to hear or overturn the determinations of the Claims Administrators related to benefits or medical necessity or appropriateness. Please contact Wespath if you have questions regarding the manner in which the Claims Administrators and Wespath share duties under the Plan.

Moreover, certain Contracts with the Claims Administrators are insurance contracts and policies. As such, the terms of those Contracts with respect to the Participants covered under them will supersede the terms of this SPD where there is a conflict between the documents.

### **The Plan Is Not a Contract of Employment**

Nothing contained in this SPD or the Plan will be construed as a contract or condition of employment between Wespath, any Plan Sponsor or any other employer and any Employee. All Employees are subject to discharge to the same extent as if their employer had never adopted the Plan.

## ELIGIBILITY

If you are appointed to or work for a Plan Sponsor of HealthFlex, you may be eligible for coverage under the Plan. Your eligibility depends on the rules of the Plan and the choices of your Plan Sponsor. Contact your Plan Sponsor or Wespath if you have questions about your eligibility under the Plan. The descriptions below explain some general rules that govern the Plan.

### Adoption Agreements

A Conference or Affiliated Organization that wishes to adopt HealthFlex must execute an Adoption Agreement with Wespath to become a Plan Sponsor. An Adoption Agreement is a contract through which a Plan Sponsor agrees to cover its Employees in the Plan and promises to abide by the terms of the Plan and assumes certain duties and obligations.

HealthFlex sets forth basic (i.e., required) and optional (i.e., discretionary) categories of coverage for clergy Employees (including deacons) and lay Employees. A Plan Sponsor must specify in its Adoption Agreement the optional categories of individuals that it wishes to make eligible under the Plan. The Adoption Agreement also defines eligibility as it pertains to a Plan Sponsor's Employees' Spouses, Dependents, surviving Spouses, surviving Dependents and retired Participants, as well as Employees on Continuation Coverage and leaves of absence under certain paragraphs of *The Book of Discipline*.

Some Plan Sponsors have age and service requirements that Employees must satisfy before they can participate in the Plan. A Plan Sponsor must offer HealthFlex participation in a nondiscriminatory manner to all persons described in the categories indicated on its Adoption Agreement.

Additionally, your Plan Sponsor's Adoption Agreement determines the medical, prescription drug, dental and vision Benefit Options available to you.

### Basic Participation

If you are an Employee in one of the classes described below and your Plan Sponsor has adopted the Plan, you are eligible to participate in the Plan. However, the employee benefits policies and personnel rules of your Plan Sponsor also may affect your eligibility.

- An active bishop of The United Methodist Church;
- A clergy Employee of a Conference, including a full, provisional or associate member who is appointed:
  - to full-time service in a local church in accordance with ¶337.1, ¶321, ¶326.2 or ¶346.1 of *The Book of Discipline*;
  - or
  - full-time to an extension ministry in accordance with ¶344.1 of *The Book of Discipline*;
- A full-time local pastor;
- A lay Employee of a General Agency that has adopted the Plan who is normally scheduled to work 30 or more hours per week (excluding persons employed by General Agencies as missionaries);
- A clergy Employee of a General Agency;
- A lay Employee of a Plan Sponsor other than a Conference or General Agency who is normally scheduled to work 30 or more hours per week.

### Optional Participation

If your Plan Sponsor has elected, pursuant to its Adoption Agreement, to cover the class of Employee below that describes you, generally you will be eligible to participate in the Plan.

- A Bishop who has retired in accordance with ¶408.1, ¶408.2 or ¶408.3 of *The Book of Discipline*;
- A clergy Employee of a Conference who:
  - is appointed to less than full-time service under ¶338.2 or ¶346.1 of *The Book of Discipline*, but who is appointed to at least half-time service;
  - is appointed beyond the local United Methodist Church under ¶344.1a of *The Book of Discipline*, including full-time local pastors so appointed under ¶316 of *The Book of Discipline*;
  - is appointed beyond the local United Methodist Church under ¶344.1b of *The Book of Discipline*;

- is appointed beyond the local United Methodist Church under ¶344.1d of *The Book of Discipline*;
- is granted a Leave of Absence;
- is appointed to attend school under ¶416.6 of *The Book of Discipline*;
- is on sabbatical leave under ¶352 of *The Book of Discipline*;
- has retired under ¶358.1 (mandatory retirement), ¶358.2b (with 35 years of service at age 62) or ¶358.2c (with 40 years of service at age 65) of *The Book of Discipline*;
- has retired with 20 years of service under ¶358.2a of *The Book of Discipline*; or
- has involuntarily retired under ¶358.3 of *The Book of Discipline*;
- A “part-time local pastor” as defined in ¶318.2 of *The Book of Discipline* who is appointed to at least a three-quarter time appointment;
- A student appointed as a local pastor under ¶318.3 of *The Book of Discipline*;
- A full-time local pastor who was eligible to participate in the Plan and who has been recognized as a retired local pastor under ¶320.5 of *The Book of Discipline*;
- A lay Employee of a Conference or Salary-Paying Unit within a Conference who:
  - is normally scheduled to work 30 or more hours per week; or
  - has retired under the retirement policy of his or her Salary-Paying Unit; or
- A lay Employee of a General Agency or other Plan Sponsor who has retired under the retirement policy of his or her General Agency or Plan Sponsor.

You should contact your Plan Sponsor for information about which of these categories is covered under your Plan Sponsor’s Adoption Agreement.

### Other Categories

A Plan Sponsor, with the written agreement of Wespath, may enroll other individuals in a category not specifically described above, provided that the Employees are individuals who may participate in a cafeteria plan (under §125 of the Code) and a Church Plan. Such individuals will be subject to all other terms of the Plan.

### Exclusions

A clergy Employee of a Plan Sponsor shall be excluded from the Plan when:

- He or she has a quarter-time or less appointment;
- He or she is granted honorable location as that term is defined in ¶359 of *The Book of Discipline*;
- He or she is placed on administrative location as that term is defined in ¶360 of *The Book of Discipline*; or
- His or her Conference relationship has been severed in any manner, e.g., by withdrawal, surrender of ministerial credentials or a penalty assessed by a trial court within the meaning of ¶361, ¶2719 or ¶2711.3 of *The Book of Discipline*, or surrender of the local pastor license as described in ¶320 of *The Book of Discipline*.

A Lay Employee shall be excluded from the Plan when:

- He or she normally is scheduled by his or her Plan Sponsor or Salary-Paying Unit to work fewer than 30 hours per week;
- He or she is a temporary or seasonal Employee, meaning he or she normally is scheduled by his or her Plan Sponsor or Salary-Paying Unit to work fewer than six continuous months during a Plan Year; or
- He or she normally is scheduled by his or her Salary-Paying Unit to work more than 30 hours per week during a period of time that is fewer than six continuous months, even if such Employee is normally scheduled by the Plan Sponsor or Salary-Paying Unit to work fewer than 30 hours per week beyond six months.

Any Employee who is residing outside of the United States for more than six continuous months at a time is excluded from the Plan.

In addition, you will be excluded from the Plan for failure to make Required Contributions on a timely basis. This means that your coverage will terminate and you will be excluded from coverage if you, your Plan Sponsor or the Salary-Paying Unit that is responsible for making Required Contributions on your behalf fails to make the Required Contributions.

Wespath will notify you and your Plan Sponsor of the failure to make Required Contributions and will request payment of delinquent contributions. If you do not make payment in full within 15 calendar days of this notice, you will cease to be a Participant. Termination of coverage does not excuse you or your Plan Sponsor from making payment in full of all Required Contributions.

### **Your Spouse and Dependents**

Your Spouse and Dependents may be eligible for coverage under the Plan depending upon:

- the choices elected by your Plan Sponsor on its Adoption Agreement, and
- the terms of applicable Benefit Options (such as limiting ages, etc.).

In certain circumstances, civil union partners and domestic partners of lay Employees may be covered, depending (1) upon the law of the State in which the lay Employee resides and Plan Sponsor is located, (2) the elections of the Plan Sponsor. For more about this coverage see the section of this SPD entitled *Domestic Partner Coverage*.

### **Special Rules**

There are certain circumstances where you or your Dependent might be eligible for coverage where you otherwise would not.

### **Family Leave**

If you are a clergy Employee placed on family leave or maternity or paternity leave pursuant to ¶354.2b) or ¶356 of *The Book of Discipline*, you may continue to participate in the Plan for a period up to 12 weeks.

### **FMLA**

If you are a lay Employee of a Plan Sponsor that is subject to the terms of the Family and Medical Leave Act (FMLA) and you take an FMLA covered leave, or you are a clergy Participant and you are placed on medical leave, a family leave or a maternity/paternity leave as defined in *The Book of Discipline*, subject to the requirements of §125 of the Code (the cafeteria plan rules) and any other applicable laws and regulations and the personnel policies of your Plan Sponsor, the following rules generally will apply:

- You may maintain your medical, pharmacy, dental and vision benefits, provided that your Plan Sponsor permits continued coverage under its policies and rules. You may maintain your Health Care Flexible Spending Account (health care FSA) and Dependent Care Flexible Spending Account (dependent care FSA) as if you were a salaried Active Participant, for three (3) calendar months from the end of the month in which you first went from salaried to medical leave status (i.e., began the FMLA leave). You can pay the premium conversion and salary-reduction amounts due for that period: 1) in full on a pre-tax basis either before the medical leave or upon return from medical leave (if within the three-month period), or 2) on an after-tax basis during the medical leave.
- If you continue to receive salary, Required Contributions and salary-reduction amounts may be deducted on a pre-tax basis during the leave.
- At the end of the three-month period described above, Wespath will terminate any Medical Reimbursement Account or Dependent Care Account you might have. You have 90 days from the later of 1) the last day on which you received salary or 2) the last day of the 3-month period described above if you maintained your FSA when your medical leave began in which to submit claims for reimbursement from your FSA for claims incurred on or before the last day on which you received salary. Claims submitted after this 90 day run-out period will not be paid, and any amounts remaining in FSA accounts after such period are forfeited to the Plan.

### **Medical Child Support Orders**

Wespath may determine that the Plan will provide benefits in accordance with the applicable requirements of any qualified medical child support order (QMCSO), as defined in §609 of ERISA or other medical support order, including a National Medical Support Notice issued pursuant to the Child Support Performance and Incentive Act of 1998, that Wespath reasonably determines applies to the Plan, relating to the child of a Participant. Wespath or its agent shall pay benefits covered by a QMCSO directly to the child or to the child's parent or legal guardian, as Wespath deems appropriate.

***What is a Qualified Medical Child Support Order?***

A QMCSO is a judgment, decree or order (including approval of a settlement agreement) or administrative notice that is issued pursuant to a state domestic relations law (including a community property law) or to an administrative process, which provides for child support health benefit coverage and relates to benefits under the Plan and satisfies all of the following:

- the order recognizes or creates a child's right to receive group health benefits for which you, as a Participant, are eligible;
- the order specifies your name and last known address and the child's name and last known address, except that the name and address of an official of a state or political subdivision may be substituted for the child's mailing address;
- the order provides a description of the coverage to be provided or the manner in which the type of coverage is to be determined;
- the order states the period to which it applies; and
- if the order is a National Medical Support Notice, it meets the requirements above.

The QMCSO may not require the Plan to provide any type or form of benefit or option not otherwise provided under the Plan.

**Plan Sponsor Rules**

Your Plan Sponsor may have rules and personnel policies that will affect your eligibility under the Plan. Ask your Plan Sponsor for additional information about the rules and regulations for coverage under this Plan and all the employee benefit plans that your Plan Sponsor offers.

**Coverage in Retirement**

Your Plan Sponsor will decide whether or not to offer coverage in retirement and how to share the cost of coverage with you. Contact your Plan Sponsor for more information.

**Waiting Periods**

Your Plan Sponsor may determine the length of time you are required to be employed before you can participate in the Plan. However, under the terms of the Affordable Care Act (ACA), generally no waiting period can exceed 90 days.

**Cost Sharing**

Your Plan Sponsor determines the manner in which it shares the cost of coverage, the Required Contribution, with you. Your Plan Sponsor might split the Required Contribution with you or it might pay a certain percentage (for example, 75% of the cost) and pass on 25% to you. Your Plan Sponsor might pay the entire Required Contribution, or might assign the entire Required Contribution to you.

Plan Sponsors who are in HealthFlex Exchange may provide a Premium Credit to Participants to apply toward the Required Contribution. See additional information under Your HealthFlex Benefit Options.

**Benefit Options**

Your Plan Sponsor has the authority to choose the Benefit Options under the Plan that it wishes to offer its Employees. As a result, not all of the Benefit Options in the Plan may be available to you. Please contact your Plan Sponsor or Wespath if you have questions about which Benefit Options are available to you.

**Right to Terminate**

Your Plan Sponsor has reserved the right to terminate its sponsorship of HealthFlex, subject to the conditions of its Adoption Agreement with Wespath. If your Plan Sponsor terminates its HealthFlex participation, your coverage under the Plan terminates. In addition, your Plan Sponsor may have reserved the right to terminate its sponsorship of a group health plan.

## Coverage in Retirement

The following rules govern HealthFlex coverage for retired Participants.

### General Eligibility

You must meet certain criteria to enroll in HealthFlex as a retired Participant. You must meet the Plan's criteria and the eligibility rules of your Plan Sponsor.

For example, your Plan Sponsor may require that you be covered by its group health plan, or have served or been employed longer than the five-year continuous coverage requirement under the Plan. Many Plan Sponsors require more than five years of service for eligibility in retirement. Your Plan Sponsor might exclude early retirees. Your Plan Sponsor's additional eligibility requirements can be more restrictive than the Plan's general rules, but they cannot be more generous.

### Electing Coverage or Postponing Your Election

You must enroll in the Plan as a retired Participant within 30 days of your retirement unless you have Other Health Coverage at the time of retirement. Retirement in this context means early or normal retirement, as soon as you first become eligible for coverage as a retiree under the Plan and your Plan Sponsor's rules, regardless of whether you are eligible yet for Medicare. If you have Other Health Coverage at the time of retirement, you may be eligible for HealthFlex retiree coverage if you lose the Other Health Coverage, depending on the rules of your Plan Sponsor. Your Plan Sponsor is obligated to provide you with the necessary forms and information prior to that date.

### Cost Sharing

The amount you will pay for coverage as a retired Participant can vary. Your Plan Sponsor determines how to share the cost of coverage with you and it can require that you pay the entire cost of coverage. Your Plan Sponsor should have a written policy that describes how it shares the cost of coverage with you. Be sure to obtain cost-sharing information from your Plan Sponsor annually.

### Pre-Tax Premium Contributions and Flexible Spending Accounts (FSAs)

Generally, retired Participants are not eligible for the cafeteria plan to (i) pay for coverage on a pre-tax basis, or (ii) defer money to flexible spending accounts. A limited exception applies to retired Participants who are actively at work and enrolled in the Plan for active Employees. The portion of the Required Contribution paid by your Plan Sponsor may be a tax-free benefit to you as a result of your "former employment relationship." Contact your tax adviser for additional information.

### Medicare

Once you reach age 65, you will be entitled to coverage under Medicare Part A<sup>1</sup>. You may not need to enroll in Medicare Part B if you are actively working and have active HealthFlex coverage. However, your Plan Sponsor's offering may be different for Medicare-eligible employees if you are working for a small employer, so you should check with your Plan Sponsor. You can read more about it in the section titled *Medical Benefit Options for Medicare-Eligible Participants*.

If you are Medicare eligible due to disability and enroll in a HealthFlex Benefit Option, the Plan automatically assumes *you are enrolled in Medicare Part B* when it calculates benefit payments. Once you are Medicare-eligible due to disability, the Plan pays after Medicare pays (i.e., the Plan is the secondary payer). If you are eligible for Medicare Part B due to disability, but you do not enroll in Medicare Part B, you will incur additional out-of-pocket expenses that the Plan will not pay.

### Medicare-Eligible Participants

A series of federal laws, collectively referred to as the Medicare Secondary Payer (MSP) laws, regulate the manner in which the Plan may offer group health care coverage to Medicare-eligible Employees, Spouses and, in some cases, Dependents.

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<sup>1</sup> You are generally entitled to coverage under Medicare Part A unless you are a clergy person who has opted out of Social Security.

The statutory requirements and rules for MSP coverage vary depending on the basis for Medicare and employer group health plan (GHP) coverage (HealthFlex coverage), as well as certain other factors, including the size of the employers sponsoring the GHP. In general, Medicare pays secondary to the following:

- A GHP that covers individuals with end-stage renal disease (ESRD) during the first 30 months of Medicare eligibility. This is the case regardless of the number of employees employed by the employer or whether the individual has “current employment status.”
- In the case of individuals age 65 or older, a GHP of an employer that employs 20 or more people, if that individual or the individual’s Spouse (of any age) has “current employment status.” If the GHP is a multiemployer or multiple employer plan that has at least one participating employer that employs 20 or more people, the MSP rules apply, even with respect to employers of fewer than 20 people (unless the Plan elects the small employer exception under the statute, which HealthFlex has done for some Plan Sponsors).
- In the case of disabled individuals younger than age 65, a GHP of an employer that employs 100 or more people, if the individual or a member of the individual’s family has “current employment status” with the employer. If the GHP is a multiemployer or multiple employer plan that has at least one participating employer that employs 100 or more people, the MSP rules apply, even with respect to employers of fewer than 100 employees.

**Please note:** Contact Wespeth or your Claims Administrator if you have questions regarding the ESRD period or other provisions of the MSP laws and their application to you.

### **Coverage Not Guaranteed**

Coverage through HealthFlex as a retired Participant is not a vested benefit; it is not guaranteed to continue. Wespeth reserves the right to amend or terminate HealthFlex at any time. In addition, your Plan Sponsor has reserved the right to terminate its participation in the retiree portion of HealthFlex, and may have reserved the authority to amend its cost-sharing policies or terminate its health plan for retired Employees.

### **Spouses and Dependents**

Your Spouse at the time you retire is eligible to become a retired Participant if he or she has met any additional requirements of your Plan Sponsor, such as a longer period of coverage. Your Spouse or other Dependent will immediately lose eligibility if you lose eligibility, other than if you die. Your Spouse is subject to the Plan’s rules for coverage in retirement, as well as the eligibility rules of your Plan Sponsor. Contact your Plan Sponsor for more information.

Generally, a new Dependent acquired by a retired Participant after his or her retirement date is eligible for HealthFlex.

### **Surviving Spouses and Dependents**

Plan sponsors can elect to cover surviving Spouses and surviving Dependents of active and retired Participants. The same general rules apply to surviving Spouses and Dependents as apply to retired Participants. If a surviving Spouse remarries, he or she may retain HealthFlex coverage as a surviving Spouse. However, he or she may not enroll new Dependents acquired after the primary Participant’s death; those Dependents are ineligible for coverage under HealthFlex. A surviving Dependent who is the child of a deceased Participant may continue coverage as a surviving Dependent under the Plan until he or she no longer meets the Plan’s definition of a Dependent child (e.g., by reaching a limiting age).

### **Divorced Spouses**

If you are the former Spouse (Divorced Spouse) of a Participant, i.e., you are divorced or legally separated from the Participant, you may be eligible to participate in the Plan if the Participant is made responsible through a court order for:

- the majority of your financial support; or
- your medical or other health care expenses.

You or the Participant must notify Wespeth or your Plan Sponsor of a divorce in a timely manner.

In the event that the Participant is not required to cover you by court order, you may be eligible for up to 24 months of Continuation Coverage. See the section entitled *Continuation Coverage* for additional information.

Medical Reimbursement and Dependent Care accounts are not available to you as a Divorced Spouse. If you remarry, you remain eligible under the Plan, unless the court order provides otherwise. New Dependents acquired after the divorce are not eligible for coverage through a Divorced Spouse under the Plan. If a former Spouse is covered through Continuation Coverage (see below), then Dependents acquired after the divorce may be eligible for coverage for the remainder of the Spouse's Continuation Coverage. Divorced Spouses are subject to the same one-time election and continuous coverage rules that apply to retired Participants (see above). As a Divorced Spouse, you, or the Participant on your behalf, must pay the Required Contribution for coverage.

### **Domestic Partner Coverage**

A Plan Sponsor may elect, through its Adoption Agreement, with respect to lay Employees only, to offer coverage for the same-sex partner (Civil Partner) of a lay Employee who has entered a civil union or domestic partnership, which, under the law of the State in which the lay Employee resides, provides the same substantive and procedural rights, privileges and immunities as marriage. Such coverage shall be subject to the limitations of federal law, i.e., with respect to the Code, and the conditions described in Judicial Council Decision Nos. 1030, 1075, and 1264, and *The Book of Discipline*, as explained below.

The following states have such laws regarding civil unions or comprehensive domestic partnerships: California, Colorado, District of Columbia, Hawaii, Illinois, Maine, Nevada, New Jersey, Washington and Wisconsin. The State of Wisconsin has a domestic partner law that does not confer all the rights and privileges of marriage upon partners. However, the Wisconsin law does provide most of the important decision-making and property rights of marriage; e.g., joint property rights, maintenance rights, health care decision-making rights and state family/medical leave rights.

The Defense of Marriage Act (DOMA) limited a marriage to opposite-sex couples for the purposes of all federal laws, including the Internal Revenue Code and the Employee Retirement Income Security Act (ERISA). Therefore, before the Supreme Court decision in *United States v. Windsor*, 570 U.S. 12, 133 S. Ct. 2675 (2013), federal laws did not recognize state-sanctioned same-sex marriages, civil unions or domestic partnerships.

In Revenue Ruling 2013-17, as a result of *Windsor*, the Internal Revenue Service (IRS) ruled that same-sex couples legally married in jurisdictions that recognize their marriages will be treated as married for all federal tax purposes. The ruling applies regardless of whether the couple resides in a jurisdiction that recognizes same-sex marriage or a jurisdiction that does not recognize same-sex marriage. The ruling applies to all federal tax provisions where marriage is a factor, including employee benefits, such as employer health plan coverage.

Under the Tax Code, health insurance benefits for same-sex spouses will no longer be considered taxable income to the employee (participant). If an employer pays for the coverage of a same-sex spouse under HealthFlex (i.e., pays the same share of the premium as it does for an opposite-sex spouse), then the fair-market value (i.e., the difference in premium) of that additional coverage is no longer treated as imputed income to the employee. However, for state income tax purposes, the treatment of the coverage as either excluded from taxation or imputed taxable income will depend on the marriage and tax laws of the state of residence.

In addition, under federal law, same-sex spouses are treated as tax dependents. Therefore, employees may make pre-tax contributions to a cafeteria plan and receive reimbursement for medical expenses from flexible spending accounts with respect to the same sex spouse.

Any same-sex marriage legally entered into in one of the 50 states, the District of Columbia, a U.S. territory or a foreign country that recognizes same-sex marriage – e.g., Argentina, Canada, France, Mexico (certain states), South Africa or the United Kingdom--will be covered by the ruling. However, Revenue Ruling 2013-17 does not apply to registered domestic partnerships, civil unions or similar formal relationships recognized under state law but not denominated a "marriage."

Therefore under federal law, health insurance benefits for Civil Partners still should be considered taxable income to the employee (participant). If a plan sponsor or employer were to pay for the coverage of a Civil Partner under HealthFlex, (i.e., pay the same share of the premium as it does for a spouse), then the fair-market value (i.e., the difference in premium) of that additional employer-paid coverage is treated as imputed income to the employee—subject to federal income and employment (FICA) taxes. However, for state income tax purposes, this coverage may be treated as tax-exempt (depending on the state’s income tax laws), so the employee may not be subject to state income tax on the value of the added coverage of a Civil Partner.

In addition, unless his or her Civil Partner is a tax dependent under Code §152, an employee may not make pre-tax contributions to a cafeteria plan on behalf of a Civil Partner. As such, the employee responsibility portion of the premium that is attributable to the Civil Partner coverage generally must be paid on an after-tax basis. An employee also may not receive reimbursement for expenses of the Civil Partner from flexible spending accounts (FSAs) under HealthFlex, unless the Civil Partner is a Code §152 dependent. An employee may receive reimbursements for eligible medical expenses of a Civil Partner from health reimbursement accounts (HRAs) under HealthFlex; however the contributions to the HRA must be treated as imputed income to the participant, subject to federal income and employment taxes.

The Judicial Council of The United Methodist Church has ruled, in Decision No. 1075, that an annual conference health plan providing health benefits to domestic partners of lay employees did not violate *The Book of Discipline*. The plan in that case required the employee to pay the full additional premium cost for the coverage of his or her partner. The Judicial Council held that the plan did not violate ¶1806.9 or ¶1613.19 of *The Book of Discipline*, because the annual conference council on finance and administration (CCFA) had determined that the plan did not inappropriately use church funds to promote the acceptance of homosexuality. Plan Sponsors considering providing this coverage should review Decision No. 1075.

On April 28, 2014, the Judicial Council ruled in Decision No. 1264 that expanding the definition of “spouse” in the General Agencies Welfare Benefits Program [GAWBP, the health plan maintained by the General Council of Finance and Administration (GCFA) for the program agencies] to include same-sex spouses and Civil Union partners in states that have established civil unions is not a violation of ¶1806.9 of *The Book of Discipline*. The Judicial Council ruled that GCFA was authorized by ¶1806.9 to make this determination. Furthermore, for the GAWBP, the general agency paying the cost of health coverage for the employee and his or her spouse or partner does not violate ¶1806.9. HealthFlex plan sponsors considering covering Civil Partners should consult with their CCFA and consider Decision Nos. 1030, 1075 and 1264.

### **Coverage During Disability**

If you are a clergy Participant and you become disabled under the terms of the Comprehensive Protection Plan (CPP), then you may be eligible to continue to participate in HealthFlex as long as you remain disabled, provided that your Plan Sponsor continues to cover you under its policies and rules, and subject to certain limitations set forth below. Disabled Participants and Dependents who meet the requirements for Medicare to act as primary payer for medical claims (i.e., they have been receiving Social Security Disability Income (SSDI) benefits for 24 months) can elect to enroll in the Medicare supplement option offered under HealthFlex (i.e., Via Benefits™) and elected by the Plan Sponsor. If an individual eligible for Medicare due to disability is not eligible for Medicare coverage through Via Benefits or another Medicare plan offered by the Plan Sponsor but is eligible for HealthFlex coverage, HealthFlex will pay secondary to Medicare. If you are on CPP disability but not eligible for Medicare and remain in HealthFlex, HealthFlex would continue to pay primary. As long as you remain disabled, the Plan will allow you to be covered by your Plan Sponsor. However, whether you remain covered as a disabled Employee depends on the policies and practices of your Plan Sponsor. If your Conference relationship terminates, for example, your Plan Sponsor may not necessarily continue to cover you under the Plan. If you reach retirement age and your Plan Sponsor does not provide coverage in retirement, your coverage may terminate.

If you are a clergy Employee and you were not covered under CPP through an appointment or leave status at the time you become disabled, but nonetheless you are disabled in the view of Wespath (pursuant to a definition similar to that in

CPP), you remain eligible for coverage under HealthFlex, but actual coverage would depend on the policies of your Plan Sponsor. Disability under CPP is distinct from being appointed to medical leave. Medical leave is an appointment status and a Conference membership relationship, and does not necessarily prove disability.

A Plan Sponsor's personnel policies (and for Conferences, *The Book of Discipline*) have significant impact on coverage in disability. The Plan Sponsor can establish its own rules about cost sharing for disabled Employees, as long as they aren't discriminatory to other similarly situated Employees, as long as the disabled individual remains an Employee. For clergy Employees, if the Participant terminates Conference relationship, then the Plan Sponsor's policies regarding continued membership, coverage and cost sharing of premiums will apply. That may require the terminated, disabled Participant to pay the entire Required Contribution or terminate coverage entirely. If a Plan Sponsor's personnel policy indicates a termination of employment for lay Employees who become disabled (e.g., after 24 months of disability), then that policy will govern continued coverage and cost sharing. The Plan will allow the disabled Participant to continue coverage if the Plan Sponsor's rules allow it, but it does not require such coverage. When Plan coverage ceases, Continuation Coverage may be available if the affected individual is not eligible for Medicare.

### **One Type of Coverage**

You may not participate in this Plan as an Employee and as a Dependent, and your Dependent may not participate in this Plan as a Dependent of more than one Employee.

### **Waiting Periods**

Contact your Plan Sponsor for details regarding your waiting period, if any.

### **Effective Date of Your Coverage**

You will become a covered Participant on the date you elect coverage by signing an approved *HealthFlex Enrollment/Change Form (Enrollment Form)*. You will not be denied enrollment for coverage due to your health status. It is your Plan Sponsor's responsibility to provide all completed enrollment materials, including your *Enrollment Form*, to Wespath within 30 days of your eligibility date. Failure by your Plan Sponsor to perform this duty may subject you to adverse consequences.

Coverage for your Dependents, if they are eligible, will be effective on the date you elect such coverage on an approved *Enrollment Form*. Your Dependents will be covered only if you are covered under the Plan.

### **Newborns**

Any Dependent child born while you are covered under the Plan will become covered on the date of his or her birth if you elect Dependent coverage no later than 60 days after the birth. If you do not elect to cover your newborn child within 60 days, coverage for that child will end on the 31<sup>st</sup> day.

### **Adopted Children**

Pursuant to the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993), any child under the age of 18 whom you adopt, including a child who is placed with you for adoption, will be eligible for Dependent coverage upon the date of placement with you. The Plan will consider a child placed for adoption when you become legally obligated to support that child, totally or partially, prior to that child's adoption. If a child placed for adoption is not adopted, all health coverage ceases when the placement ends and will not be continued.

### **Grandchildren**

Any grandchild born while your Dependent is covered under the Plan will become covered on the date of his or her birth. Coverage will terminate on the last day of the month in which the child is 31 days old. Coverage will include only normal newborn charges incurred during the inpatient stay (such as initial facility, physician visit and lab service). Any charges for additional services beyond the specified normal newborn charges will not be covered.

### **Termination of Coverage**

#### **Termination of Coverage—Employees**

Your coverage will cease on the earliest of the following dates:

- the date you cease to be in a class of eligible Employees as described above;
- the last day for which you have made any Required Contributions for coverage;
- the date Wespath terminates the Plan;
- the date Your Plan Sponsor terminates its participation in the Plan; or
- the last day of the calendar month in which your employment ends.

### **Leave of Absence**

If your employment ceases due to a leave of absence, your coverage will be continued according to the terms set by your Plan Sponsor. However, the coverage will not continue beyond the date your Plan Sponsor ceases paying Required Contributions for you.

### **Other Events Ending Your Coverage**

When any of the following happen, Wespath may terminate your coverage and it or the Claims Administrator will provide you written notice that your coverage has ended.

- **Fraud, Misrepresentation or False Information**—You commit fraud or misrepresentation, or you knowingly Wespath or the Claims Administrator false material information. Examples include false information relating to another person’s eligibility or status as a Dependent.
- **Material Violation**—You materially violate the terms of the Plan.
- **Improper Use of ID Card**—You permit an unauthorized person to use your ID Card, or you use another person’s card.
- **Threatening Behavior**—You commit an act of physical or verbal abuse that poses a threat to Wespath’s staff, the Claims Administrator’s staff, a provider or other Participants.

### **Termination of Coverage—Dependents**

Coverage for your Dependents will cease on the earliest of the following dates:

- the date your coverage ends;
- the last day for which you have made any Required Contributions for coverage; or
- the last day of the month in which your Dependent ceases to be a Dependent as defined in the Plan.

Generally, when your coverage terminates, you will have the opportunity to elect Continuation Coverage for you and your Dependents.

### **Continuation Coverage**

The Plan does not offer Continuation Coverage under the terms of COBRA<sup>2</sup>. COBRA is the federal Continuation Coverage law that applies to most employer group health plans. Because HealthFlex is a Church Plan, the Plan is exempt from COBRA requirements by federal law<sup>3</sup>.

Nonetheless, if you lose coverage<sup>4</sup> under the Plan, you may elect Continuation Coverage. Medical, mental health and prescription drug coverage are included in the Plan’s Continuation Coverage, as well as wellness benefits typically included in the plan. Continuation Coverage does not include dental, vision or health care flexible spending account coverage, because they are limited scope benefits. A dependent care flexible spending account is not considered a health plan and therefore is not part of Continuation Coverage. Generally, the Plan offers Continuation Coverage for 12 months from the date you lose coverage<sup>5</sup>. If you elect Continuation Coverage, you will remain in your then-currently elected Benefit Options for the balance of the Plan Year in which you lose coverage or as long as you are eligible for Continuation Coverage, whichever is shorter.

Continuation Coverage for a Spouse who loses coverage in the case of a divorce from a Participant is 24 months. Generally, if you were a primary participant in HealthFlex, HealthFlex will consider your newly acquired Dependents

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<sup>2</sup> The Consolidated Omnibus Budget Reconciliation Act of 1985.

<sup>3</sup> Under §4980B(d) of the Code and Treasury Regulation §54.4980 B-2, Q. and A. No. 4.

<sup>4</sup> Loss of coverage may be, for example, by reason of termination of employment, attainment of a limiting age, divorce or death.

<sup>5</sup> The Plan may offer longer periods of coverage in certain circumstances.

during a period of Continuation Coverage to be eligible for coverage for the remaining period of your Continuation Coverage (however, you must pay an additional Required Contribution for such coverage). However, if you were a Dependent in HealthFlex, HealthFlex will not consider your newly acquired Dependents to be eligible for coverage for the remaining period of your Continuation Coverage. You must notify your Plan Sponsor and Wespeth of events that may cause a loss of coverage under the Plan, such as a divorce or a child reaching a limiting age. When you become eligible for Medicare, you are no longer eligible for Continuation Coverage.

Generally, when you or your covered Dependents lose coverage under the Plan, coverage terminates at midnight on the last day of the month in which the event ending eligibility occurs. Wespeth or its agent will inform you of the termination of coverage and opportunity to elect Continuation Coverage within 10 business days of the termination.

Continuation Coverage will cease on the earliest of the following:

- the last day for which you have paid the Required Contribution;
- the date you become eligible for coverage under another group health care plan, policy or under Medicare;
- the last day of the month of such Continuation Coverage in accordance with the terms of the Plan; or
- the date the Plan terminates.

You have 60 calendar days from the date you lose coverage to elect Continuation Coverage. If you do not elect Continuation Coverage within this time limit, you forfeit coverage. If you elect Continuation Coverage, you must pay the entire cost of coverage, in other words, the Employee and employer portions of the Required Contribution, on an after-tax basis.

The Plan is only required to provide Continuation Coverage to you if you have been covered under the Plan for at least ninety (90) days.

You should contact your Plan Sponsor or Wespeth if you have questions about Continuation Coverage.

There may be other coverage options for you and your family. Under the Affordable Care Act, you can purchase coverage through the online Health Insurance Marketplace ([healthcare.gov](https://www.healthcare.gov)). In the Marketplace, you may be eligible for an income-based tax credit (Premium Tax Credit, PTC) that lowers your monthly premiums right away, and you can see what your premium, deductibles and out-of-pocket costs will be before you make a decision to enroll. Being eligible for Continuation Coverage does not limit your eligibility for coverage or for a premium tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally does not accept late enrollees, if you request enrollment within 30 days.

## THE CAFETERIA PLAN

The Plan is made up of two primary parts: the group health plan and the cafeteria plan. The group health plan contains several Benefit Options that cover your (i) medical and hospitalization expenses, (ii) prescription drug expenses, and (iii) mental and behavioral health expenses. In addition, the Plan provides certain ancillary or *limited scope* benefits that cover your (iv) dental expenses (if your plan sponsor adopted dental benefits through HealthFlex), and (v) vision expenses. These Benefit Options are described in the section called *Your HealthFlex Benefits*. You can find more information about these Benefit Options in the applicable benefit summary or *HealthFlex Benefit Booklet*.

The other part of the Plan is the cafeteria plan. The cafeteria plan has three parts: (i) a premium conversion plan, (ii) a flexible spending account for health care expenses, (iii) a flexible spending account for dependent day care expenses, and (iv) a health savings account, if applicable.

### **What Is a Cafeteria Plan?**

A cafeteria plan is a type of employee benefit plan that employers provide pursuant to §125 of the Code. The name derives from the design of allowing employees to choose among different types of benefits, similar to food choices in a cafeteria. Employees may choose to receive their full compensation in cash, or a portion of their compensation as non-

taxable benefits such as group health coverage and flexible spending accounts (FSAs) (See *Pre-Tax Contributions* below). A cafeteria plan thereby provides a funding mechanism by which employees may pay for the benefits they choose on a pre-tax basis. Wespath administers the entire Plan as a cafeteria plan under Code §125.

Generally, only current common-law employees may be Participants in the cafeteria plan. Although self-employed individuals typically are not permitted to be Participants in a cafeteria plan, United Methodist clergy [who are considered self-employed for income tax (SECA) purposes] can participate in the HealthFlex cafeteria plan.

The Benefit Options under the group health plan and the rules of the cafeteria plan are explained below under Your HealthFlex Benefits.

### **Your Plan Sponsor**

Your Plan Sponsor or employer may maintain its own cafeteria plan. You should ask your Plan Sponsor if it has a cafeteria plan for Employees. If so, you should consult with your Plan Sponsor for information about its cafeteria plan and the features and options.

### **Premium Conversion Plan**

#### **Pre-Tax Contributions**

Through the cafeteria plan, you can pay the Required Contributions, often called premiums, for coverage under the Plan and its Benefit Options on a pre-tax basis. This is known as a premium conversion plan. You may do so if you are actively at work (i.e., not on a leave or assigned any non-salaried status). Your Required Contributions are deducted from your gross income each payroll period. Your new gross (taxable) income is your salary less the pre-tax contributions to the cafeteria plan. Alternatively, you can forego the benefits of the premium conversion plan, paying all Required Contributions on an after-tax basis. By choosing the latter, you are choosing cash, in the form of your full salary, over qualified benefits.

Whether or not you opt to participate in premium conversion, Wespath administers the Plan as a cafeteria plan under §125 of the Code. As such, you can only change your Benefit Options during Annual Election Periods and on account of certain Life Status Events. Please refer to the section of this SPD entitled *Life Status Events* for more information.

#### **After-Tax Contributions**

If you are not actively employed but remain covered (e.g., you are on a covered, unpaid leave of absence), you must pay the Required Contributions for your Benefit Option coverage on an after-tax basis.

Retired Participants and disabled Participants generally cannot participate in the cafeteria plan. In certain cases, you can request that Wespath deduct Required Contributions directly from your pension or welfare plan benefit payments on an after-tax basis, if they are administered by Wespath. In other cases, your Plan Sponsor will collect Required Contributions directly from you. Certain retired Participants who continue to work beyond retirement age or who return to work after retirement can continue to participate in the premium conversion plan and flexible spending accounts.

### **Elections**

Generally, you are allowed to elect or change coverage (i.e., your Benefit Options and your flexible spending account contributions) only during each Annual Election Period. You may revoke or change your elections at other times of the year only as permitted by the Plan.

Because the Plan is designed to provide tax-advantaged benefits under §125 of the Code as a cafeteria plan, once you make your benefit elections for a Plan Year, you cannot change them, except in limited circumstances. The circumstances under which you may change your benefit elections are called Life Status Events, and they include rights stemming from Special Enrollment Events, as defined in HIPAA. Life Status Events and Special Enrollment Events are described below. Life Status Events are sometimes called “change of status events.”<sup>6</sup>

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<sup>6</sup> If you have an HSA, you can change the HSA election and contribution at any time without a Change of Status event. However, you cannot reduce your contribution mid-year to an amount less than what you have already contributed year-to-date into the HSA.

The rules that govern changing elections apply to Employees as well as Spouses and Dependents, surviving Dependents, retired Participants, Divorced Spouses, individuals on Continuation Coverage and all other Participants.

### **Changing Your Elections (the Cafeteria Plan Rules)**

You may change your Benefit Option elections only under the following circumstances:

- during the Annual Election Period;
- if you experience a Life Status Event (as described below); or
- if you experience a Special Enrollment Event (as described below).

It is very important that you inform your Plan Sponsor of any Life Status Event within 31 days of the event. If you or your Plan Sponsor fails to inform Wespath of such an event in a timely manner, it may jeopardize your ability to make election changes and it can have adverse tax consequences or cause you to lose coverage.

#### **Life Status Events**

If you experience certain changes in your family's status, you may be permitted to make limited changes to your HealthFlex elections. These Life Status Events include:

- marital status changes (e.g., marriage or divorce);
- changes in the number of Dependents (e.g., an increase through birth or adoption or a decrease through death);
- a Dependent becoming ineligible or regains eligibility (e.g., reaching a limiting age);
- your hours of service are reduced so that you are expected to average less than 30 hours of service per week, but you remain eligible for coverage under HealthFlex.
- change in employment status<sup>7</sup> of you or your Dependent that affects eligibility for the Plan (e.g., changing from full-time to part-time employment, commencement of or return from an unpaid leave of absence);
- HIPAA Special Enrollment Events (see below); and
- change in residence<sup>8</sup> that affects eligibility (e.g., moving out of the coverage area for a managed care option, such as an HMO).

Any election changes you make based upon a Life Status Event must be on account of and consistent with such a Life Status Event. For example, when you acquire a new Dependent, the election change you would make for that Life Status Event would be to add coverage for that Dependent, not to drop coverage for other Dependents<sup>9</sup>.

In certain other limited circumstances you may make changes to your elections. These additional Life Status Events are:

- judgment, decree or order (i.e., a Qualified Medical Child Support Order);
- Medicare Entitlement (or loss of such entitlement);
- mid-year Plan changes (e.g., significant changes in the cost of coverage or significant curtailment of coverage during a Plan Year); and
- certain required circumstances under the Family and Medical Leave Act where applicable to your employer.

#### **HIPAA Special Enrollment Events**

If you decline coverage under the Plan, in certain situations you may be able to enroll in the Plan at the time you lose Other Health Coverage. This rule would also apply if you were assigned "No Coverage" by the Plan due to noncompliance with the 31-day Plan Sponsor signature requirement for enrollment.

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<sup>7</sup> Appointment changes within a Conference and compensation changes alone are not considered Change of Status Events.

<sup>8</sup> Changes in residence that affect eligibility for certain Benefit Options do not qualify as Change of Status Events for flexible spending accounts. Some events may qualify as Change of Status Events for flexible spending accounts (for example: marriage, divorce or birth of a child).

<sup>9</sup> In accordance with IRS guidance, however, you can add other Dependents in addition to the newly acquired Dependent under what is known as the "tag-along" rule.

The situations in which you may enroll in HealthFlex upon the loss of Other Health Coverage or in which you may make changes to certain elections are called Special Enrollment Events and are as follows:

- you become ineligible for a Premium Tax Credit in the Affordable Care Act's (ACA's) Health Insurance Marketplace (Exchange);
- you would like to cease coverage under HealthFlex in order to purchase coverage through a competitive Marketplace established by the ACA;
- your hours of service are reduced so that you are expected to average less than 30 hours of service per week, but you remain eligible for coverage under HealthFlex;
- you decline HealthFlex coverage because you (or your Spouse or Dependent) have Other Health Coverage or COBRA or other continuation coverage, then you (or your Spouse or Dependent) lose the Other Health Coverage because you are no longer eligible (e.g., through an employment status change, divorce, change of residence, limiting age, etc.) or because the employer failed to pay the required premium, or you or your Dependent exhausts the COBRA or other continuation coverage;
- you decline coverage under HealthFlex for your Spouse or Dependent because your Spouse or Dependent has Other Health Coverage or has COBRA or other continuation coverage, then your Spouse or Dependent loses the Other Health Coverage because he or she is no longer eligible (e.g., through an employment status change, divorce, etc.), or because the employer failed to pay the required premium or your Spouse or Dependent exhausts the COBRA or other continuation coverage period;
- you gain a new Dependent due to marriage, birth, adoption or placement for adoption or legal guardianship;
- the Plan (or the plan of your Spouse or Dependent) no longer offers a Benefit Option to an entire class of similarly situated individuals that includes you; and
- you or your dependent become eligible for a premium subsidy for coverage under HealthFlex through Medicaid or a state Children's Health Insurance Program.

In order to enroll in the Plan as a result of a Special Enrollment Event, you, your Spouse or Dependent must be otherwise eligible for coverage under the Plan, e.g., under your Plan Sponsor's Adoption Agreement.

If you do not experience a Life Status Event, you cannot change your elections at any time during the Plan Year.

#### **Effective Dates of Coverage Changes Due to a Special Enrollment Event or Life Status Event**

When you elect HealthFlex coverage due to a Special Enrollment Event or make an election change due to a Life Status Event, the effective date of the change will be as follows:

- **Special Enrollment Event—loss of Other Health Coverage:** HealthFlex coverage will be effective as of the first day you are without Other Health Coverage.
- **Special Enrollment Event—exhaustion of COBRA coverage or other continuation coverage:** HealthFlex coverage will be effective as of the first day you are without the COBRA coverage or other continuation coverage.
- **Special Enrollment Event or Life Status Event wherein you add a new Dependent to your family:** HealthFlex coverage will be effective as of the date of the marriage, birth, adoption, placement for adoption or legal guardianship, which is the basis for acquiring the Dependent.
- **Life Status Event wherein a Dependent regains eligibility:** HealthFlex coverage will be effective as of the date the Dependent first meets the eligibility requirements.

Although coverage may be effective retroactively on account of these events, pre-tax cafeteria plan elections cannot be retroactive. Required Contributions for retroactive coverage must be paid on an after-tax basis. If you make a change to your Medical Reimbursement Account or Dependent Care Account on account of a Life Status Event, when permitted under the Plan, the effective date of that change will be the first day of the month following the election change. When you lose or decline HealthFlex coverage due to a Change of Status Event, termination is effective on the last day of the month in which the Change of Status Event occurred. *(See examples that follow.)*

**Example 1:**

John has declined HealthFlex coverage because he has coverage through his spouse's employer. John's spouse subsequently loses the Other Health Coverage because her employment is terminated. The last day of coverage under the Other Health Coverage plan is March 31. John notifies his Plan Sponsor and receives a *HealthFlex Enrollment/Change Form*. He completes and returns the *Enrollment/Change Form* to his Plan Sponsor's office. All of this must be done so that the Plan Sponsor can sign the *Enrollment/Change Form* by the end of the business day on April 30. Coverage is effective April 1.

**Example 2:**

Susan is covered under HealthFlex. She also covers her husband and son. On May 12, Susan gives birth to her daughter, Alicia. Susan notifies her Plan Sponsor of the birth and receives an *Enrollment/Change Form*. She completes the *Enrollment/Change Form*, adding Alicia as a covered Dependent and returns it to her Plan Sponsor's office. All of this must be done so that the Plan Sponsor can sign the *Enrollment/Change Form* by the end of the business day on July 11. Coverage is effective May 12.

If you fail to meet the timeliness requirement, you cannot make coverage or election changes due to the Life Status Event (Special Enrollment Event or otherwise), and you will have to wait until the next Annual Election Period to make the change.

**Other Life Events**

In addition to the events described above, certain other events can change your coverage and elections:

- **Disability Medicare Entitlement:** When you become eligible for Medicare due to disability, you may elect to change coverage to Medicare supplemental coverage offered by your plan sponsor, if any.
- **Medicare Secondary Payer Small Employer Exception (MSPSEE):** If you are a Medicare-entitled Participant actively working for a small employer in the MSPSEE program, you may be covered under the Medicare supplemental coverage offered by your plan sponsor, if any.

**Flexible Spending Accounts (FSAs)**

If you are a Participant who is actively at work, you can choose to contribute a portion of your compensation to flexible spending accounts on a pre-tax basis<sup>10</sup> through the cafeteria plan. There is a health care flexible spending account and a dependent care flexible spending account. You can elect to reduce your salary for a Plan Year (or the remainder of the Plan Year if you are a newly hired eligible Employee) through a salary-reduction agreement. Your employer deducts the contribution amounts pro rata each month or payroll period from your compensation.

Reimbursement accounts are subject to strict rules and requirements of the Code, under §105, §106, §125 and §129. FSAs can only reimburse you for eligible health care expenses or dependent day care expenses. The Plan maintains FSAs as bookkeeping entries, with the "account balance" representing the amount of your salary reduction contributions that are available to reimburse your eligible expenses.

To participate in the FSAs, you must be enrolled in the Plan and covered in a medical Benefit Option. For each year in which you want to have FSAs, you must make an election to contribute a portion of your salary. If you do not elect an amount for the FSAs in any Plan Year, you are presumed to have made an election to contribute zero dollars. FSA elections do not carry over from one year to the next; they are not "evergreen." **Amounts remaining in your FSAs at the end of a Plan Year do not carry over to the following year; they are forfeited to the plan.** The plan does not charge a fee for FSAs, so forfeited funds are used to offset administrative costs. The only exception to the "no carryover" rule is any eligible carryover for the health care FSA (*see below*).

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<sup>10</sup> Salary reduction contributions should not be subject to federal income or FICA tax withholdings. In some cases, salary reduction contributions also may be exempt from state and local tax withholdings. Consult with your tax adviser and Plan Sponsor.

FSAs can help you save significantly on the cost of health care and dependent care by allowing you to pay for qualified expenses on a tax-advantaged basis. However, the funds you contribute are subject to certain restrictions in their use, as explained below, and are subject to the “*use-it-or-lose-it*” rule.

When you elect to contribute to an FSA, you are choosing to contribute that amount over the applicable Plan Year, which is a Calendar Year, not a Conference or appointment year or season. If you enroll in the Plan mid-year and elect to contribute to an FSA, your election will apply to the remaining portion of the Calendar Year.

### **Health Care Flexible Spending Account (FSA)**

The health care FSA allows reimbursement only for eligible medical expenses. To be an eligible expense, you cannot otherwise be reimbursed for the expense by the Plan or through other insurance or similar group health coverage; furthermore, you cannot claim the expense as an itemized deduction on an individual income tax return. In other words, the expense must be out-of-pocket to you, and you cannot “double dip.” Many out-of-pocket health care expenses, such as Co-payments, Co-insurance amounts, Deductibles and out-of-network charges, are reimbursable through the health care FSA. In addition, the costs of some over-the-counter medications may be reimbursable *only with a physician’s prescription order*. As of January 1, 2013, HealthFlex provides expanded coverage for women’s preventive health care services. This means that preventive services, such as well-woman visits, sexually transmitted infections counseling and HIV screening, contraception methods and counseling, will be covered by HealthFlex with no Co-payment, Co-insurance or Deductibles. For more information about women’s preventive care services, please review the benefit summaries available online and the *HealthFlex Benefit Booklet* or certificate of insurance applicable to each Benefit Option.

Importantly, you cannot use a health care FSA to pay for long-term care expenses, HealthFlex Required Contributions or any premiums for health insurance. Contact Wespeth or the Claims Administrator for a list of permissible and impermissible health care FSA expenses.

Under the health care FSA, the amount you elect for the entire Plan Year is available to you beginning with the first day of the Plan Year. This requirement is called the *uniform coverage rule*.

To be an eligible expense, you must incur the expense during the applicable Plan Year. You incur an expense when the service or care is provided, not necessarily when you are billed or pay for the service. You may be reimbursed through your health care FSA for out-of-pocket health care expenses incurred by your Spouse or Dependents (even for qualified expenses for dependents not covered under a HealthFlex medical Benefit Option).

HealthFlex will permit a participant to carry forward *up to \$500* remaining in his or her health care FSA at the end of the Plan Year to the following Plan Year. For this purpose, the amount remaining unused as of the end of the Plan Year is the amount unused after medical expenses by the end of the year have been reimbursed at the end of the plan’s Run-Out period for the plan year. The carryover of up to \$500 does not count against or otherwise impact the maximum permitted election for the health care FSA (i.e. \$2,650).

If you elect to contribute to a health care FSA, you must contribute at least \$300, but you may not contribute more than \$2,650 in any Plan Year.

Participants who elect an HSA plan Benefit Option can elect a Limited-use health care FSA which is limited to vision and dental expenses. This also applies if the Participant’s Spouse has his or her own FSA. The Spouse’s FSA must also be a Limited-use FSA. The FSA will remain a Limited-use FSA until you notify WageWorks that you have met the applicable IRS-defined deductible; then the FSA can be used for all eligible health care expenses (2019 IRS-defined deductible: \$1,350 individual, \$2,700 family).

### **Dependent Care Flexible Spending Account (FSA)**

If you contribute to a dependent care FSA, you set aside part of your compensation on a before-tax basis to reimburse yourself for certain eligible dependent day care expenses (even for qualified expenses for dependents not covered under a HealthFlex medical Benefit Option). You may be reimbursed for expenses incurred for care of your dependents that enable you and your Spouse to work. Dependent day care expenses may include expenses for summer day camp,

babysitting services while you work, or a day care center for children or dependent adults. Eligible expenses include dependent care expenses for your dependent children (age 12 and younger<sup>11</sup>), or your Spouse or other tax dependents who are physically or mentally incapable of self-care.

The dependent care FSA is also subject to the *use-it-or-lose-it rule*. Unclaimed amounts in your dependent care FSA at the end of the Plan Year cannot be used to pay for benefits in future years and cannot be returned to you. You forfeit these unused amounts. Wespath uses forfeited amounts to offset the Plan's administrative expenses.

You must be able to provide substantiation of your dependent day care expenses and the provider's name, address and tax identification number (Social Security number if it is a home provider). In addition to submitting this information to the Claims Administrator to request your reimbursement, you may want to save a copy of this information for reference when you prepare your income tax return. Qualifying dependent care providers include, but are not limited to:

- Dependent care centers. If the center provides care for more than six non-resident individuals, it must meet all applicable state and local regulations;
- An individual who provides care inside or outside your home. However, your own child younger than age 19 or any other individual for whom you can claim a personal income tax exemption does not qualify as a care provider;
- Facilities for pre-school children; and
- A housekeeper whose services include, in part, providing care for a qualifying dependent.

It is relatively easy to estimate your expenses for a dependent care FSA, since you most likely know the cost of the services in advance. Generally, if you contribute to a dependent care FSA, you must contribute at least \$300, but you may not contribute more than \$5,000 in any Plan Year. However, your dependent care FSA contributions are subject to the following additional limits. In a Plan Year, the amount you may contribute to the dependent care FSA is limited to the smallest of the following:

- \$5,000 (or \$2,500 if you are married, but filing separately);
- your earned income; or
- if you are married at the end of the taxable year, your Spouse's earned income.

If you are married but your Spouse has no earned income, your Spouse is deemed to have an earned income of \$250 per month (\$500 per month if there are two or more qualifying individuals) in each month that he or she is either a full-time student or incapable of self-care.

To be eligible to use the dependent care FSA, you must be at work during the time your eligible dependent receives care. You also must meet *one of* the following eligibility guidelines:

- you are a single parent;
- you have a working Spouse;
- your Spouse is a full-time student at least five months during the year while you are working;
- your Spouse is physically or mentally unable to provide for his or her own care; or
- you are divorced or legally separated and have custody of your child most of the time even though your former Spouse may claim the child for income tax purposes.

An eligible dependent for dependent care FSA purposes is an individual who spends at least eight hours per day in your home and is one of the following:

- a child younger than age 13 for whom you have custody most of the time even though your former Spouse may claim the child for income tax purposes;
- any other dependent who is physically or mentally unable to care for himself or herself; or
- your Spouse, if he or she is physically or mentally incapable of self-care.

Certain types of expenses are not eligible for reimbursement under the dependent care FSA. Examples of ineligible expenses include:

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<sup>11</sup> Your child will cease to be an eligible dependent for dependent care FSA purposes the day that he or she reaches age 13.

- services that are primarily educational or medical in nature (pre-school is generally regarded as primarily for the child's well-being and protection and not primarily educational);
- educational expenses at kindergarten level or higher;
- services provided on behalf of a qualified dependent while you or your Spouse is not working;
- household services provided by individuals who are not responsible for providing care to the dependent; and
- overnight camp costs.

Unlike the health care FSA, the amount of dependent care FSA reimbursement available to you at any time during the Plan Year is limited to the amount already credited to your dependent care FSA at the time of the request, i.e., the amounts your employer has withheld from your compensation, reduced by the amounts you have already been reimbursed in that Plan Year. In other words, the dependent care FSA is not subject to the *uniform coverage rule*.

Dependent care FSA may be elected with any and all HealthFlex Benefit Options, including the HSA plan designs. Unlike the health care FSA, there are no distinctions between full-use and limited-use in regard to the dependent care FSA.

### **Which Is Better for You—the Dependent Care FSA or Dependent Care Tax Credit?**

Any reimbursements received through the dependent care FSA are not eligible for the Dependent Care Tax Credit on your personal income tax return and dependent care FSA reimbursements can reduce the amount of eligible expenses that you can claim under the Dependent Care Tax Credit. You should speak to a tax adviser to determine if a dependent care FSA or the Dependent Care Tax Credit is more advantageous to you.

### **Tax Reporting**

Although you will not have to pay federal, Social Security (FICA) or state (except in a few states) taxes on amounts you contribute to the dependent care FSA, the amount you are reimbursed should be recorded in a separate box on your Form *W-2*. When preparing your personal income tax return, you should complete and file an IRS *Form 2441* or *Schedule 2*; depending on the type of income tax return you file (*Form 1040* or *1040A*). *Form 2441* or *Schedule 2* requires that you report the name, address and taxpayer ID number of your dependent care providers. These forms allow the IRS to identify dependent care reimbursements received through the dependent care FSA and to calculate any expense which may remain eligible for the Dependent Care Tax Credit. For more information about income tax filing requirements related to the dependent care FSA, you should review *IRS Publication 503* or consult with a tax professional.

### **“Use-It-or-Lose-It” Rule for Flexible Spending Accounts (FSA)**

Amounts you contribute to either type of FSA cannot carry over from one year to the next—with the exception of up to \$500 in health care FSA carryover [see above for details]. This prohibition is known as the *use-it-or-lose-it rule*. You will forfeit unused health care FSA funds if you do not incur enough expenses during the Plan Year to exhaust your health care FSA. You will forfeit unused dependent care FSA funds if you do not incur enough expenses during the Plan Year to exhaust your dependent care FSA.

Generally, you have until the April 30 that immediately follows the end of a Plan Year to submit all Claims for that just-ended Plan Year. You forfeit all amounts in the health care FSA *above \$500* after the end of the applicable Run-Out Period, and all amounts in the dependent care FSA after the end of the applicable Run-Out Period. Wespath uses such forfeited amounts to offset the administrative expenses of the Plan.

### **Termination of Employment**

If you terminate employment, you will no longer be eligible to participate in the premium conversion plan. Typically, your pre-tax contributions (and Plan coverage) will continue through your last regular payroll period. Contact your Plan Sponsor for more information regarding pre-tax contributions if your employment terminates. If you terminate employment, your participation in the health care FSA and dependent care FSA will terminate at the end of the month in which you terminated employment.<sup>12</sup> You must submit your Claims within 90 days of termination to receive reimbursement for eligible expenses incurred prior to termination.

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<sup>12</sup> If you terminate on the first day of the month, your participation in an FSA will terminate on the last day of the prior month.

If you terminate employment and are rehired in the same calendar year, you must make a new FSA election or wait until the next Plan Year to participate (i.e., your FSA from before termination are not automatically renewed if you are rehired).

### Key Provisions of the Flexible Spending Accounts

- To use an FSA each year, you must elect to contribute part of your compensation to the FSA during the Annual Election Period or upon enrollment in the Plan. If you make no election, you will not have an FSA for that year; your contributions will be zero. *FSA elections do not carry over from year to year.*
- For the health care FSA, the total annual amount that you elected to contribute for the Plan Year is available at any time during the Plan Year (reduced by the amount of prior health care FSA reimbursements already paid to you). For the dependent care FSA, only the amount your employer has withheld from your pay, minus expenses already reimbursed, is available to you at any time during the Plan Year.
- You must incur the eligible expenses during the Plan Year. Expenses are incurred when services are performed, not necessarily when payment is made (subject to certain exceptions for orthodontia and eyeglasses).
- The amount you elect to contribute is for a Plan Year (calendar year), not a conference or appointment year or season. If you enroll in the program mid-year and elect to contribute to an FSA, your election will apply to the remaining portion of the Plan Year.
- If you terminate from HealthFlex, you have **90 days** from the date of termination to submit all Claims you incurred before your termination date (see *Termination of Employment* above).
- Eligible health care FSA expenses must be allowed as deductions for medical expenses as described in §213(d) of the Code, other than premiums for health insurance or coverage (Required Contributions). Eligible health care FSA expenses may include Deductibles, Co-payments and amounts over the maximum the Plan pays for reasonable and customary care. Other health care charges that may be reimbursed include routine physicals, vision care, hearing care, dental care and orthodontic care. In addition, *if prescribed by a doctor*, expenses for many over-the-counter medications may be reimbursable.
- Examples of expenses specifically non-reimbursable under the health care FSA include cosmetic surgery that does not treat an illness or disease, gym membership fees, costs of weight loss programs done for your general health, long-term care expenses and premiums you pay for insurance coverage.
- Expenses that are reimbursed through the health care FSA cannot also be used as deductible expenses when filing your personal income tax return. However, the health care FSA allows you to reduce taxes on many health-related expenses, even if the expenses do not exceed the 7.5% of your gross income required to claim them as a deduction on your personal income tax return.
- You cannot change the amount that you elected to set aside in your FSAs during the Plan Year. Generally, you may contribute between \$300 and \$5,000 to a dependent care FSA and between \$300 and \$2,650 to a health care FSA, to be deducted from your salary in equal amounts through the year. However, certain Life Status Events may allow you to make election changes during the Plan Year [see *Life Status Events* under *Changing Your Elections (the Cafeteria Plan Rules)* above].
- The Claims Administrator will reimburse your dependent care FSA Claim up to the available balance in your dependent care FSA at the time you submit the Claim. If there are insufficient funds in your dependent care FSA to reimburse the entire Claim, the remaining amount of the Claim will be paid as soon as there have been enough payroll deductions credited to your dependent care FSA. You will not have to re-submit the Claim.
- You have tax reporting requirements related to the dependent care FSA that you should make sure you understand. You are responsible for complying with all tax requirements.
- Wespath may amend or terminate the cafeteria plan at any time. Your consent is not required to terminate the Plan.

### Tax Consequences for You

There are important tax implications associated with electing to pay your Required Contributions through the cafeteria plan and with contributing to an FSA. You may want to speak with your tax adviser before electing to participate in the FSA if you have questions about the tax savings and implications. Salary reduction contributions will reduce your gross

taxable income for Social Security purposes. This means that your future Social Security benefits could be impacted by the decreased amount of taxable income considered for Social Security purposes.

### **Nondiscrimination**

FSAs are subject to certain nondiscrimination requirements in the Code. This means that in terms of eligibility and contributions, FSAs cannot improperly favor highly compensated Employees (HCEs). Wespath tests the FSAs periodically to ensure the Plan meets these requirements. Wespath also may reject any Participant's election and reduce the amount of any Participant's contributions or nontaxable benefits to the extent necessary to assure that the Plan does not discriminate in violation of Code §125. If it must take these actions, Wespath will do so on a reasonable and nondiscriminatory basis. Contributions that the Plan is unable to return to Participants will be forfeited.

## **YOUR HEALTHFLEX BENEFITS**

### **Benefit Options**

HealthFlex gives Plan Sponsors a choice of medical, prescription drug, dental and vision Benefit Options to offer to their Employees. Some Plan Sponsors may offer only medical, prescription drug and vision Benefit Options, while other Plan Sponsors may offer a combination of medical, prescription drug, dental and vision Benefit Options.

For Plan Sponsors that offer HealthFlex Exchange: HealthFlex makes available all of the HealthFlex Benefit Options (i.e., medical, prescription drug, dental and vision) to eligible Participants. Each medical Benefit Option is coupled with a prescription drug plan. The Premium Credit is a component of the HealthFlex Exchange and applies to Participants whose Plan Sponsor offers HealthFlex Exchange. The Premium Credit is a fixed amount that the Plan Sponsor allocates to each HealthFlex Participant, depending on eligibility status. Each Plan Sponsor determines the Premium Credit amount(s) for the applicable subgroups of its population. The Premium Credit is credited toward the overall cost of the plan. As the participant, your Required Contribution is the remainder of the plan cost after the Premium Credit has been applied. If you elect a Benefit Option that is less than the Premium Credit, the excess Premium Credit will be deposited into your health account: into a health reimbursement account (HRA) if a preferred provider organization (PPO) or HRA plan Benefit Option is elected, or into a health savings account (HSA), if an HSA plan Benefit Option is elected. If you elect a Benefit Option that costs more than the Premium Credit, the remaining Required Contribution will be deducted on a pre-tax basis from your paycheck. Your Salary Paying Unit is responsible for implementing the deduction of the remaining Required Contribution. The Required Contribution deducted from your paycheck is eligible for the Premium Conversion portion of the Plan's cafeteria plan.

Wespath can add new Benefit Options and can eliminate or discontinue any existing Benefit Options at any time. However, Wespath will provide you and your Plan Sponsor reasonable notice in such cases, barring extraordinary circumstances.

For detailed information about the Plan's Benefit Options and the specific terms and conditions of the benefits offered under each, please review the benefit summaries and the *HealthFlex Benefit Booklet* (available online) for the Benefit Options in question, or the certificate of insurance applicable to each Benefit Option. Go to [wespath.org](http://wespath.org), log in to **HealthFlex/WebMD**, and then select "**HealthFlex Plan Benefits**" or "**HealthFlex Exchange Benefits**."

### **Medical Benefit Options for Active Participants and Retired Participants Younger Than Age 65**

There are four types of medical Benefit Options administered by the Plan's Claims Administrators (Blue Cross and Blue Shield of Illinois and UnitedHealthcare, depending on your geographic location and Plan Sponsor) that are available to Plan Sponsors. Depending on your Plan Sponsor's choices, one or more of the following medical Benefit Options are available to you:

- Preferred Provider Organization (PPO)—B1000
- HRA plans—C2000 with HRA, C3000 with HRA

- HSA plans—H1500 with HSA, H2000 with HSA, H3000 with HSA
- Out-of-Area (OOA)—may be available with any Benefit Option

Within each of the Benefit Options, multiple plan designs may be available. Differences among these Benefit Options and the various designs within each option are primarily the Deductibles, Co-payments, Co-insurance amounts, network restrictions, out-of-network coverage and charges, and out-of-pocket maximums.

### **Coverage and Benefits**

You can find detailed descriptions of your Benefit Options and the rules governing each, including coverage, exclusions, network restrictions, covered procedures and specific costs, in the *HealthFlex Benefits Booklets* applicable to your Benefit Options. In addition, you can find summary information in the benefit summary (summary of benefits and coverage, SBC) applicable to your Benefit Option. Benefit booklets and SBCs are available online through the HealthFlex/WebMD website [[wespath.org](http://wespath.org); log in to **HealthFlex/WebMD** and then select “**HealthFlex Plan Benefits**” or “**HealthFlex Exchange Benefits**”]. You can also call your Claims Administrator or the Wespath Health Team for information about your coverage and benefits.

### **HRA Plan Benefit Options**

An HRA plan is a type of health insurance plan that allows you as a Participant to use a Health Reimbursement Account (HRA) to pay certain eligible health care expenses directly, while a PPO-type plan with a higher deductible protects you from catastrophic medical expenses.

An HRA can be used to offset eligible unreimbursed expenses incurred by you or your covered Dependents on a nontaxable basis (i.e., the contributions to the HRA from the Plan and your Plan Sponsor generally are not taxable). If you do not use all HRA funds during a Plan Year, the remaining amount will roll over to the following Plan Year, with no maximum on accumulated rolled-over funds as long as you continue participation in the HRA plan or meet other requirements for HRA eligibility. You are only for the HRA if you have elected and are enrolled in a HRA plan under HealthFlex.

HRA balances remaining when you retire may be used to the extent allowed under the law for eligible health care-related expenses, including health coverage in retirement through Medicare, and Medicare supplement plans. To be eligible, you must satisfy the retiree eligibility rules of both HealthFlex and your Plan Sponsor (see the section of this SPD titled *Coverage in Retirement*). Your HRA balance will be available for your use even if your Plan Sponsor does not sponsor health coverage for retired Participants through the Plan.

### **HRA Funding**

If you are covered by an HRA plan or your Plan Sponsor offers an HRA with a PPO plan design: an HRA will be established for you to use for the sole purpose for reimbursement of eligible medical expenses. If you are in an HRA plan, each year Wespath will determine the amount that will be contributed to your HRA for the Plan Year based on the design of the plan you elect. In addition, your Plan Sponsor may contribute additional funds to your HRA. Contributions will be funded and available at the beginning of each Plan Year. You can find information on the amount of HRA funding in the benefit summary applicable to your Benefit Option online at the HealthFlex/WebMD website [[wespath.org](http://wespath.org), (log in to **HealthFlex/WebMD**)]. You can also call the Wespath Health Team at **1-800-851-2201** for information about your coverage and benefits.

If you become disabled or are working for a small employer in the Medicare Secondary Payer Small Employer Exception (MSPSEE) program and as a result are enrolled in a Medicare supplement plan, Contributions to your HRA may cease. If you remain in a Benefit Option for active Participants, HRA funding may continue at the discretion of the Plan Sponsor.

### **HRA Tax Reporting**

HRAs are funded solely by the plan sponsor; employees may not make contributions to their HRA. Contributions to an HRA are not included in the employee’s income and are not reported on the IRS *Form W-2*. Employees do not pay federal income taxes or employment taxes on the contributions made to their HRA.

## **HRA Reimbursements**

The HRA allows reimbursement only for eligible medical expenses of you and your covered Dependents. To be an eligible expense, you cannot otherwise be reimbursed for the expense by the Plan or through other insurance or similar group health coverage; and you cannot claim the expense as an itemized deduction on an individual income tax return. In other words, the expense must be

out-of-pocket to you and you cannot “double dip.” Many out-of-pocket health care expenses, such as Co-payments, Co-insurance amounts, Deductibles and out-of-network charges are reimbursable. In addition, medical expenses described in §213(d) of the Code are eligible for reimbursement from the HRA. Additionally the costs of some over-the-counter medications are reimbursable—but only with a physician’s prescription order.

In addition, if you have a Retiree HRA as described below, you may request reimbursements for long-term care insurance, or any premiums for health and dental insurance or Medicare.

## **Expenses Not Eligible**

Importantly, you cannot use an HRA to pay for HealthFlex Required Contributions, while you are an actively employed Employee.

Expenses incurred by a Spouse or Dependent who is not covered in the HRA plan under the Plan (or another HealthFlex plan design that offers an HRA) are not eligible for reimbursement. You are responsible for ensuring that you do not submit claims for reimbursement for a non-covered Spouse or Dependent. You may contact Wespeth or the Claims Administrator (WageWorks for the HRA) for a list of permissible and impermissible HRA expenses.

## **Carryover of Accounts**

If any balance remains in your HRA for a Plan Year after all reimbursements have been made for the Plan Year, such balance shall be carried over to reimburse you for eligible medical expenses incurred during a subsequent Plan Year, if you maintain participation in the HRA plan or another HealthFlex plan design that includes an HRA or otherwise maintain eligibility for your HealthFlex HRA.

## **Opting Out of the HRA**

If you want to have medical coverage through the “Health Insurance Marketplace” under the Affordable Care Act (also known as federal or state “exchanges”) and to be eligible for federal assistance (a premium tax credit) toward the purchase of a Marketplace plan (instead of a HealthFlex Plan), you can request to convert your HRA to a limited-use HRA, which may be used for dental and vision expenses; or you may opt out of your HRA, i.e., forfeit the remaining balance, in order to be eligible for the premium tax credit (if you are otherwise eligible). Having a full-use HRA balance with the Plan causes you to have “minimum essential coverage” under the Affordable Care Act, which renders you ineligible for a premium tax credit.

## **Retiree HRA**

If you retire pursuant to the retirement eligibility rules of the Plan and your Plan Sponsor, any remaining balance in your HRA Account will be converted and transferred to a Retiree HRA Account. You may be reimbursed from your Retiree HRA Account for eligible medical expenses until your account is exhausted. HRA amounts are carried over from Plan Year to Plan Year as long as you remain retired and have not died. If your Spouse or other Dependents are covered under a HealthFlex HRA plan or PPO with HRA after you retire, they will continue participation in the non-Retiree HRA while covered under the HRA plan or PPO.

Upon your death, if you have an eligible surviving Spouse or eligible surviving Dependents, the eligible survivors may be reimbursed from your Retiree HRA Account for eligible medical expenses until the account is exhausted or until such survivors die. Expenses incurred by a Spouse or Dependent who are not covered in the HealthFlex HRA Plans or other PPO under the Plan are not eligible for reimbursement. If you die with a balance in your account and have no eligible surviving Spouse or Dependents, the balance of such account is forfeited to the Plan.

**Termination of HRA Participation**

If you are no longer eligible to participate in a HRA Plans or other HealthFlex plan with an HRA, as described below, and a balance remains in your HRA Account, the funds will be handled in the subsequent Plan Year in the following way (*see table*):

| Change in Participant Status   | Impact on HRA  |
|--|--|
| Participant leaves HealthFlex voluntarily without continuation coverage (including waiver of coverage, if permitted by plan sponsor) | HRA is available for 90 days following termination of coverage or until it is exhausted—whichever is earlier.  |
| Participant leaves HealthFlex by termination of employment and is not on continuation coverage                                       | HRA is forfeited 90 days following termination or until it is exhausted—whichever is earlier.  |
| Participant who left HealthFlex voluntarily who is on continuation coverage  | HRA is forfeited 90 days following termination of continuation coverage or until it is exhausted—whichever is earlier.   |
| Participant leaves HealthFlex by termination of employment and is on continuation coverage   | HRA is available for 90 days following termination of continuation coverage or until it is exhausted—whichever is earlier.   |
| Plan sponsor ceases to sponsor HealthFlex  | HRA remains intact through retirement until it is exhausted or participant dies. If you terminate employment from the UMC, the HRA is available for 90 days following this termination or until it is exhausted—whichever is earlier.          |
| Clergyperson is reappointed to non-HealthFlex conference   | HRA remains intact through retirement until it is exhausted or participant dies. If you terminate employment from the UMC, the HRA is available for 90 days following this termination or until it is exhausted—whichever is earlier.          |
| Clergyperson goes from full-time to part-time and loses HF eligibility   | HRA remains intact through retirement until it is exhausted or participant dies. If participant terminates employment from the UMC, the HRA is available for 90 days following this termination or until it is exhausted—whichever is earlier. |
| Participant enrolls in HealthFlex with another plan sponsor  | HRA balance rolls over and remains available until it is exhausted or participant dies. If you terminate employment from the UMC, the HRA is available for 90 days following this termination or until it is exhausted—whichever is earlier.   |
| Clergyperson of a clergy couple switches from being the primary participant to a dependent.  | HRA remains intact through retirement until it is exhausted or participant dies. HRA is available for 90 days following termination of coverage or until it is exhausted, whichever is earlier.  |

| Change in Participant Status  | Impact on HRA  |
|---|--|
| Participant selects different benefit option with same plan sponsor                               | HRA balance rolls over and remains available until it is exhausted or participant dies. If you terminate employment from the UMC, the HRA is available for 90 days following this termination or until it is exhausted—whichever is earlier. |
| Participant moves to Via Benefits   | HealthFlex HRA balance remains with the health system vendor and remains available until it is exhausted or participant dies. HRA is not combined with Via Benefits HRA.   |
| Participant retires   | HRA balance becomes a Retiree HRA and remains available (does not require retiree health coverage through HealthFlex) until it is exhausted or participant dies. If eligible for Via Benefits, HRA is not combined with Via Benefits HRA.    |
| Retired clergy employed as lay  | Retiree HRA is converted to an active HRA and follows Active HRA rules.  |
| Retired clergy returns to effective relationship with the conference                              | Retiree HRA is converted to an active HRA and follows Active HRA rules.  |
| Participant or spouse becomes eligible for Retiree HRA while the other remains in the active plan | Entire active HRA balance becomes a Retiree HRA, but a separate active HRA may be created in the name of the active participant/spouse and still receive contributions.  |
| Participant with no covered dependents dies   | HRA is forfeited after a 180-day claims spend-down period. Only claims prior to the Participant's date of death are eligible.  |
| Participant with covered dependents dies  | If lead dependent is in HealthFlex, the HRA remains available to all covered dependents. Otherwise the HRA is forfeited after a 180-day claims spend-down period.  |
| Participant leaves HealthFlex due to a conference merger/realignment.                             | HRA remains intact through retirement until it is exhausted or participant dies. If you terminate employment from the UMC, the HRA is available for 90 days following termination of coverage or until it is exhausted—whichever is earlier. |
| Participant moves back to the active plan from MSPSEE through Via Benefits.                       | HRA with Via Benefits is available to use for up to six months. Any remaining balance after six months is returned to the annual conference.   |

If you become a terminated Participant for any reason and then are rehired, you will be considered a new HRA Participant. However, if you go on a qualifying leave under the FMLA or USERRA, then to the extent required by the FMLA or USERRA, Wespath will continue to maintain your benefits on the same terms and conditions as if you were still an active Employee. If you go on a leave of absence that is not subject to the FMLA or USERRA, you will be treated as having terminated participation.

### **Small Balances**

Notwithstanding the foregoing, if you have an HRA balance but are no longer an active HRA Participant and your HRA balance is \$100 or less, Wespath reserves the right to forfeit your remaining small balance and terminate the HRA completely with 90 days' notice. If you are a current participant not receiving a new HRA contribution and have an HRA balance \$100 or less, Wespath reserves the right to forfeit your remaining small balance with 90 days' notice.

### **HSA Plans and Health Savings Accounts (HSA)**

A HealthFlex HSA plan is considered a qualified high-deductible health plan by the IRS. This is a type of health insurance plan that protects the Participant from catastrophic medical expenses. It also allows a Participant to use a Health Savings Account (HSA) to pay eligible health care expenses directly. In order to participate in the HSA offered through HealthFlex, participants must agree to and accept the terms and conditions of the HSA.

An HSA is used to offset eligible unreimbursed medical expenses incurred by the Participant or covered Dependents on a nontaxable basis (both Plan/employer and Participant contributions to the HSA generally are not taxable). HSAs can also be used for non-eligible medical expenses; however any amount used for non-eligible expenses will be treated as taxable income and subject to an IRS-determined tax penalty if under age 65.

If HSA funds are not used during a Plan Year, the remaining amount will roll over to the following Plan Year, with no maximum on accumulated rolled-over funds. HSA balances remaining at retirement may be used to the extent allowed under the law for eligible health care-related expenses, including health coverage in retirement through Medicare plans outside of HealthFlex.

### **HSA Funding**

An HSA will be established for each eligible Participant in the HSA plan who does not opt out of the HSA and agrees to the terms and conditions of the HSA. Some HSAs may include funding by the Plan Sponsor; in addition, the Participant can also elect to make pre-tax contributions into the HSA. Plan Sponsor Contributions will be funded and available in full at the beginning of each Plan Year. Participant Contributions will be available monthly as they are made to the HSA.

Participants who are currently enrolled in the HSA plan and transfer to a Plan Sponsor that offers the HSA plan will not be eligible for an additional plan-provided HSA contribution. Any additional funding provided by the plan sponsor will be awarded based on plan sponsor criteria. In addition, the Participant's current HSA election will remain in place unless the Participant makes a new election; the election cannot be less than what was contributed to date. Participants who lose eligibility and become eligible again mid-year are not eligible for an additional Plan Sponsor Contribution into the HSA until the following Plan Year. Dependents who become Surviving Dependents or Divorced Spouses are not eligible for an additional HSA Plan Sponsor Contribution until the following Plan Year.

### **HSA Contribution Limits**

HSAs are subject to an annual IRS-established contribution limit. The contribution limit is based on single or family coverage. For 2019, the contribution limit is \$3,500 for single coverage and \$7,000 for family coverage. Participants age 55 and older can contribute an additional \$1,000 annually.

Participants who are enrolled into the HSA mid-year can either contribute under the IRS Last Month Rule or contribute a prorated amount based on the actual number of months in the HSA plan and eligible for the HSA. Under the Last Month Rule, the Participant can contribute the full HSA amount for the current year, provided the Participant is eligible on December 1 of the current year and remains eligible and enrolled through December 31 of the following year. If eligibility is lost prior to December 31 of the following year, the excess contributions must be returned (upon participant request) by the tax filing deadline (April 1) to avoid being treated as income and also have a penalty applied.

Participants whose spouse also has his or her own HSA can contribute up to the family limit as long as one of them has family coverage. The limit is split between the Participant and Spouse. However, if the Participant and Spouse are each enrolled in single coverage, they are each limited to the contribution limit for single coverage.

Eligible expenses incurred by an eligible dependent or a spouse may be applied to the primary participant's HSA—even if the dependent or spouse is not in the HealthFlex HSA Plan. Expenses for dependents over age 19 (or over 24 if a student) are not eligible, even if the dependent is in the HealthFlex HSA Plan.

Participants are responsible for complying with IRS contribution limits and all other applicable IRS regulations associated with an HSA.

### **HSA Tax Reporting**

HSA contributions are not taxable income, but must be reported on IRS *Form W-2*. Both employer and employee pre-tax HSA contributions must be reported in Box 12, Code W "Employer contributions" of the *W-2*.

### **HSA Reimbursements**

The HSA allows reimbursement for eligible medical expenses. To be an eligible expense, a Participant cannot otherwise be reimbursed for the expense by the Plan or through other insurance or similar group health coverage; and he or she cannot claim the expense as an itemized deduction on an individual income tax return. In other words, the expense must be out-of-pocket to the Participant, and he or she cannot "double dip." Many out-of-pocket health care expenses, such as Co-payments, Co-insurance amounts, Deductibles and out-of-network charges, are reimbursable. In addition, medical expenses described in §213(d) of the Code are eligible for reimbursement from the HSA.

HSAs may also be used for non-eligible expenses; however the amount used for non-eligible expense is treated as taxable income and subject to a penalty (20% in 2019) if the Participant is under age 65.

### **Carryover of Accounts**

If any balance remains in the HSA for a Plan Year after all reimbursements have been made for the Plan Year, such balance shall be carried over to reimburse the Participant for eligible medical expenses incurred during a subsequent Plan Year.

### **Termination of HSA Participation**

If a Participant is no longer eligible to participate in an HSA plan (e.g., elected a non-HSA plan, retired or terminated, or enrolled in Medicare) and a balance remains in his or her HSA, the funds are available for use until exhausted. The HSA balance is never lost or forfeited; it remains with the Participant.

### **Medical Benefit Options for Medicare-Eligible Participants**

If you are age 65 or older (i.e., age-eligible for Medicare) or younger than age 65 but eligible for Medicare (e.g., through disability), your Plan Sponsor may offer Medicare supplemental coverage through:

- Via Benefits, a third-party administrator that provides access to Medicare supplement plans provided by more than 85 health insurers nationwide; or
- another Medicare supplemental plan or connector vehicle.

Participants who are enrolled in Medicare (e.g., enrolled in Medicare due to disability or enrolled through the Medicare Secondary Payer Small Employer Exception) are not eligible to contribute to an HSA and therefore should consider not electing an HSA plan.

You and your Dependents generally must be covered under the same Benefit Option, even if you live in different geographic areas. In certain circumstances, you and your Dependent can be covered under different Benefit Options due to factors such as age and Medicare eligibility. For example, a retired Participant who is older than age 65 will be covered in a Medicare supplement plan while his or her Spouse or Dependent who is younger than age 65 will remain enrolled in a medical Benefit Option for active Participants. Retired Participants who are eligible for Medicare but are actively employed, i.e., "working aged," will be covered in a HealthFlex Benefit Option for active Participants pursuant to the MSP rules, unless they work for small employers that have elected to be exempt from the MSP rules.

### **Coverage and Benefits—HealthFlex Benefits (not Medicare)**

You can find detailed descriptions of your HealthFlex Benefit Option and the rules governing it, including coverage, exclusions, network restrictions, covered procedures and specific costs, in the *HealthFlex Benefit Booklet*. In addition, you

can find summary information in the benefit summary applicable to your Benefit Option online at [wspath.org](https://wspath.org) (log in to **HealthFlex/WebMD**; select “**HealthFlex Plan Benefits**” or “**HealthFlex Exchange Benefits**”). You can also call your Claims Administrator or the Wespah Health Team for information about your coverage and benefits.

### **Prescription Drug Coverage**

OptumRx is the Claims Administrator for all prescription drug Claims under the Plan. Do not send Claims for prescription drug benefits to your medical benefits Claims Administrator. Please contact your Plan Sponsor or the Wespah Health Team if you have any questions about to whom you should submit a Claim for your prescription drug or medical benefits.

### **Coverage and Benefits**

Your Plan Sponsor can choose among five prescription drug Benefit Options. Your Benefit Option for prescription drugs will depend on the medical Benefit Options you elect or are assigned.

You can find a detailed description of your prescription drug Benefit Option and the rules governing it, including covered drugs, exclusions, limitations and specific costs, in the *HealthFlex Benefit Booklet* applicable to your *medical* Benefit Option. In addition, you can find summary information in the benefit summary applicable to your prescription drug Benefit Option online at [wspath.org](https://wspath.org) (log in to **HealthFlex/WebMD**; select “**HealthFlex Plan Benefits**” or “**HealthFlex Exchange Benefits**”).

### **Obtaining Your Prescription Drugs**

There are three ways to fill your prescriptions. You can use: (i) one of the 67,000 participating retail pharmacies nationwide, or (ii) the OptumRx Home Delivery program offered by OptumRx (for long-term needs), or (iii) a Walgreens Retail Pharmacy for a 90-day supply of maintenance medications. You can find additional information about your prescription drug benefits, including the location of participating retail pharmacies in your area, through the OptumRx website through the HealthFlex/WebMD portal. Go to [wspath.org](https://wspath.org), select “**HealthFlex/WebMD**” and enter your WebMD username and password. Then select “**OptumRx**” under the HealthFlex Vendor Links heading. You must present your ID Card when receiving prescription drugs and services from a participating retail pharmacy. You must pay any applicable Deductibles and Co-payments at the time you fill the prescription.

### **Plan Rules for Prescription Drugs**

#### ***Generic First Requirement***

Generic medications may have unfamiliar names, but they are safe and effective. Generic medications and their brand-name counterparts have the same active ingredients and are manufactured according to the same strict federal regulations. Generic drugs may differ in color, size or shape, but the FDA requires that the active ingredients have the same strength, purity and quality as their brand-name counterparts. For this reason, when a generic drug is available, the Plan will cover only the cost of the generic drug equivalent if you request/purchase a brand-name drug; you will pay the remainder of the cost.

#### ***Retail Refill Allowance (RRA) Program***

The Plan maintains a policy on Maintenance Medications. This Program requires that you use OptumRx Home Delivery or a Walgreens Retail Pharmacy for a 90-day supply if you are prescribed a maintenance medication (long-term Prescription Drug), rather than refilling multiple 30-day prescriptions for the same Prescription Drug at a Retail Pharmacy. If you or a covered Dependent receives a prescription for a maintenance medication and you do not use OptumRx Home Delivery or a Walgreens Retail Pharmacy for a 90-day supply, your Prescription Drugs may not be covered. Participants will be allowed to obtain three 30-day fills (the initial fill plus two refills) of maintenance Prescription Drugs at a Participating Retail Pharmacy. For all subsequent fills, Participants must use OptumRx Home Delivery or a Walgreens Retail Pharmacy for a 90-day supply for the maintenance Prescription Drug to be covered. *Otherwise, the Participant will be responsible for paying 100% of the discounted cost of the Prescription Drug.* Prescriptions must be filled as prescribed by your Physician—refills cannot be combined to equal a 90-day supply—meaning your Physician must prescribe a 90-day supply of the

drug(s). Please refer to *The Schedule of Prescription Drug Benefits* for details about Co-payments for pharmacy home-delivery or 90-day supplies from Walgreens. If you submit a prescription for less than a standard 90-day supply of a maintenance Prescription Drug to OptumRx Home Delivery and OptumRx is able, in its reasonable judgment, to dispense such supply, you will be charged a Co-payment for a full 90-day supply of the Prescription Drug.

In certain circumstances, you may not be required to use OptumRx Home Delivery or a Walgreens Retail Pharmacy for a 90-day supply. For example, there are several categories of medications including Specialty Drugs that are uniquely appropriate for multiple refills at your local Participating Retail Pharmacy (and are therefore exempt from the mandatory home-delivery program provision outlined above). These would be filled in 30-day supplies at a Participating Retail Pharmacy. Contact OptumRx to check if a medication is exempt from the home-delivery provision.

### **Prescription Drug Formulary**

OptumRx utilizes a formulary management program designed to control costs and maximize safety and effectiveness for you and the Plan. The formulary includes all U.S. Food and Drug Administration (FDA)-approved prescription drugs that have been placed in tiers based on their clinical effectiveness, safety and cost. All HealthFlex plans use the OptumRx Premium Formulary. Generally, Tier 1 includes primarily generic drugs; Tier 2 includes formulary brand-name drugs; and Tier 3 includes non-formulary brand-name drugs and non-sedating antihistamines. The Premium Formulary excludes the coverage of some brand-name medications that do not offer a clear clinical advantage over other less-costly brand or generic alternatives. Medications excluded from the formulary may be reviewed for an exception if the prescribing physician is able to document medical necessity.

It is always up to you and your physician to decide which prescriptions are best for you. You are never required to use generic drugs or brand-name drugs that are on the OptumRx formulary list. If you prefer, you may use non-formulary brand-name drugs and simply pay a higher Co-payment. You may also choose to pay out-of-pocket for drugs that are not covered by the Plan. You can find the most up-to-date list of covered prescription drugs or formulary drugs on OptumRx website through the HealthFlex/WebMD portal. Go to [wspath.org](http://wspath.org), select “**HealthFlex/WebMD**” and enter your WebMD username and password. Then select “**Prescription Drugs—OptumRx**” under the “My HealthFlex Benefits” heading. You can always choose to use Excluded Drugs and pay the cost out of pocket. It is important to note that not all drugs listed on the formulary may be covered due to Plan exclusions and limitations. You can find detailed descriptions of your prescription drug benefits and the drugs covered and excluded by the Plan in the *HealthFlex Benefits Booklet* applicable to your *medical* Benefit Option.

### **Dental Benefits**

Your Plan Sponsor may choose to offer you dental Benefit Options through HealthFlex.

Plan Sponsors can choose from three dental Benefit Options:

- Passive PPO 1000
- Passive PPO 2000
- PPO

A Plan Sponsor that participates in HealthFlex Exchange offers the choice of all three dental Benefit Options to Eligible Persons.

You must be covered under a medical Benefit Option in order to be covered under a dental Benefit Option. Dental is considered an excepted benefit, and you may choose to decline enrolling in dental during your initial or Annual Enrollment. Please contact your Plan Sponsor with questions regarding the availability of dental benefits for you. You may also contact Wespeth regarding eligibility and other dental benefits questions. Connecticut General Life Insurance Company (CIGNA) is the Claims Administrator for dental benefits under the Plan. CIGNA administers utilization, review, benefit payment and case management of your dental benefits. You or your dentist must submit all dental Claims to CIGNA.

A detailed description of your dental benefits can be found in the *HealthFlex Dental Benefits Booklet*, available online at our website ([wspath.org](http://wspath.org); log in to **HealthFlex/WebMD** and select “**HealthFlex Plan Benefits**” or “**HealthFlex Exchange Benefits**”).

CIGNA customer service coordinators are available at **1-800-CIGNA-24 (1-800-244-6224)** to answer questions about your dental benefits 24 hours a day, seven days a week (including holidays). If you are calling due to a dental emergency, follow the directions as instructed on the CIGNA voice response system. You can also find information about your dental benefits online at [cigna.com](http://cigna.com).

### **Vision Benefits**

The Plan provides basic vision benefits to every Participant covered through a medical Benefit Option. This coverage is called basic vision coverage (“Exam Core”). In addition to basic vision coverage, your Plan Sponsor may choose to offer you a “full-service” or “premier” Benefit Option that covers vision eyewear for all enrolled Participants.

A Plan Sponsor that participates in HealthFlex Exchange offers choice from all three vision Benefit Options to Eligible Persons.

You must be covered under a medical Benefit Option in order to be covered under a vision Benefit Option. The Plan provides your vision benefits through Vision Service Plan Insurance Company (VSP). VSP is the Claims Administrator for vision benefits. You or your provider must submit all Claims for vision benefits to VSP.

For more complete information regarding your vision coverage, you should consult the materials provided by VSP or the benefit summaries available on the HealthFlex/WebMD website. You can find a full explanation of your vision benefits in the *HealthFlex Benefits Booklet*, available at [wspath.org](http://wspath.org) (log in to **HealthFlex/WebMD** and select “**HealthFlex Plan Benefits**” or “**HealthFlex Exchange Benefits**”). To find out more about your vision benefits under the Plan or to find a participating provider of vision benefit services, you may call VSP at **1-800-977-7195** or visit [vsp.com](http://vsp.com).

### **Mental and Behavioral Health Benefits**

The Plan provides mental and behavioral health benefits through United Behavioral Health (UBH), also known as Optum. Therefore, the Claims Administrator for your *medical* benefits does not administer Claims for *mental and behavioral health* benefits. UBH is responsible for the administration, utilization review and case management of your mental health and behavioral health benefits. You or your provider must submit all Claims for mental health benefits to UBH. UBH customer service coordinators are available to answer questions about your mental health benefits 24 hours a day, seven days a week.

You can find out more about your mental and behavioral health benefits by reviewing the benefit summaries and the *HealthFlex Benefits Booklet* at [wspath.org](http://wspath.org) (log in to **HealthFlex/WebMD** and select “**HealthFlex Plan Benefits**” or “**HealthFlex Exchange Benefits**”).

### **Required Review Procedures**

To ensure that you receive the maximum benefits available under the Plan, you should contact UBH at **1-800-788-5614** prior to receiving care. If the services are rendered as the result of an emergency, you or a family member should contact UBH within 48 hours. When you call, you should provide the following: the name of the covered Employee; the name of the patient; and the name, address and telephone number of the hospital and the scheduled date of admission. If you do not have a mental health or behavioral health provider and need assistance in selecting one, UBH can assist you with a referral. For emergency admissions (including evenings and weekends), you or your provider must contact UBH customer service at the time of the admission.

### **Reduced Benefits for Failure to Follow Required Review Procedures**

The Plan provides significantly reduced benefits for any inpatient and other mental health services that have not been pre-authorized through UBH. Your benefits will be reduced and you may be penalized for expenses incurred for services that have not been pre-authorized by UBH. Pre-authorization, however, is not a guarantee of benefits.

## Other Benefits Available

Regardless of your Benefits Options for medical and other benefits, the following additional benefits are available to you through the Plan. They are aimed at helping you maintain and improve your overall well-being.

### Health Team (Wespath Benefits and Investments)

Wespath's Health Team advocates for you and can help you manage your HealthFlex benefits. The Health Team is your resource for Plan information. Health Team representatives are available at **1-800-851-2201**, Monday through Friday from 8:00 a.m. to 6:00 p.m., Central time.

### MDLIVE® Telemedicine

MDLIVE is a telemedicine service that provides 24/7 access to physicians via phone, secure video or mobile app. MDLIVE doctors can diagnose symptoms and prescribe medications for non-emergency medical conditions such as allergies, sore throat, ear problems or insect bites. Deductible, Co-insurance/Co-payments apply to MDLIVE consultations. You can find out more about MDLIVE at [wespath.org](http://wespath.org) (log in to **HealthFlex/WebMD** and select **"My HealthFlex Benefits"** and then **"Telemedicine-MDLIVE"**).

### Employee Assistance Program (EAP)

The Plan maintains an Employee Assistance Program (EAP), through United Behavioral Health (UBH), for your use in dealing with such matters as work-life balance, substance abuse, stress management, family counseling, financial issues, legal assistance and other concerns. You can find out more about the EAP at the UBH website at [liveandworkwell.com](http://liveandworkwell.com) or at [wespath.org](http://wespath.org) (log in to **HealthFlex/WebMD** and select **"My HealthFlex Benefits"** and then **"Counseling, Support Resources (EAP)"**).

### Wellness/Well-Being

The Plan provides a wide array of wellness benefits as part of its commitment to promoting the well-being and vitality of its Participants. In addition to generous wellness benefits within the Plan's medical Benefit Options, you have access to biometric screenings, an online health assessment, health coaching, health management reminders, WeightWatchers® memberships at reduced rates, 24/7 nurse line services through Blue Cross and Blue Shield or UnitedHealthcare, online tools, and an extensive online library of information through the HealthFlex/WebMD website. Most of these services are available to you at no additional cost, through HealthFlex.

You can find more information about these services on the HealthFlex/WebMD website. Start at [wespath.org](http://wespath.org) and log in to **"HealthFlex/WebMD."**

### Blueprint for Wellness®

The Quest Diagnostics Blueprint for Wellness® is a biometric screening that evaluates 30 health indicators. With a blood draw followed by lab analysis, Blueprint for Wellness provides valuable information about heart disease, diabetes, kidney and liver function, and much more.

### HealthQuotient

HealthQuotient (HQ) is WebMD's confidential health assessment tool (often called a health assessment), which helps you take an active role in managing your health. Based on the data you enter (or entered automatically following your Blueprint for Wellness screening), HQ evaluates your present health status as well as your likelihood of developing serious health conditions, such as diabetes or heart disease. It provides personalized reports and recommendations by analyzing various risk factors that can affect your health. Based on your HQ results, you may be eligible for WebMD health coaching.

### WebMD

More information about HealthFlex services can be accessed online through WebMD. To reach the HealthFlex/WebMD website, start at the Wespath website ([wespath.org](http://wespath.org)) and select **"HealthFlex/WebMD."** You will need to enter a username and password to reach the WebMD/HealthFlex home page—the entry point for your HealthFlex benefits information.

WebMD has much to offer. You can access information on all HealthFlex services, calculate your out-of-pocket costs for certain services, compare coverage, and learn how to manage a variety of health conditions. WebMD can personalize the information you receive by e-mail, based on your health interests. The HealthFlex/WebMD site hosts information about health conditions, tools to help you make health care choices, and programs to help you on your path to overall well-being. It also allows you to connect directly to other websites to access your medical, pharmacy, behavioral health and wellness benefits.

### **Health Coaching**

Health coaching is offered through WebMD. Health coaching provides individualized telephone support and is completely confidential. WebMD's coaches are trained health care professionals who can help you improve overall well-being. Some of the areas you can work with a coach are:

- exercise
- nutrition
- stress management and resiliency
- weight loss and weight management
- high blood sugar
- high blood pressure
- high cholesterol
- smoking cessation

### **Virgin Pulse® Well-Being Program**

The Virgin Pulse physical activity program—part of Wespath's denomination-wide wellness programming—channels the benefits of walking and other types of exercise, and rewards participants financially for their physical activity. Participants in the Virgin Pulse program:

- receive a MAX step-tracker to count steps taken, with cost covered by HealthFlex
- upload steps on the computer or through the Virgin Pulse app to earn "Points"
- participate in challenges based on physical, social, emotional, spiritual and financial well-being
- connect with other UMC participants

You can convert Points earned into "PulseCash," which can be redeemed for gift cards or directly deposited into a bank account.

### **Preventive Screening Reminders**

Keeping track of preventive health practices like getting your influenza vaccination, mammogram or other test can be difficult. Reminders from BlueCross BlueShield or United Healthcare can help. For those with chronic conditions such as diabetes or high blood pressure, reminders on when to schedule physician appointments and other condition management practices can help take the confusion out of care.

### **WeightWatchers®**

This popular weight-loss program is available to HealthFlex participants at 50% lower than national rates. You can choose among three program designs—online, in your community or at work. WeightWatchers can help you change your relationship with food—to lose weight and keep it off. To learn more about the HealthFlex Weight Watchers program, go to [wespath.org](http://wespath.org), log in to "HealthFlex/WebMD" and select "Weight Watchers"—or call **1-866-557-6229**.

### **Nurse Line Services**

HealthFlex provides access to registered nurses who are available to answer your questions about symptoms and self-care for many health conditions. This is a helpful resource when your doctor is unavailable. UHC participants can call **1-800-475-7923** and Blue Cross and Blue Shield participants can call **1-800-299-0274** any time, any day, at no cost to you.

### **NutriSavings**

HealthFlex offers NutriSavings™, a well-being program to help you select and save on healthy grocery items. It also offers ideas for healthy meals, shopping lists, recipes, and savings at select stores.

## CLAIMS

### How to File a Claim

In order to obtain your medical benefits under the Plan, you must submit your Claim to the proper Claims Administrator. To file a Claim, usually all you will have to do is show your ID Card to your hospital, physician or other provider. Typically, the provider will file your Claim for you. However, it is your responsibility to ensure the Claims Administrator has all necessary information to process your Claim. Once the Claims Administrator receives your Claim, the Claims Administrator will send benefit payment directly to the provider. You should receive an Explanation of Benefits (EOB) statement telling you how much was paid.

In certain situations, you will have to submit a Claim yourself, primarily when you are receiving services from providers other than a hospital or physician. An example would be when you have had ambulance expenses.

To file a Claim on your own, follow these instructions:

- Complete a Claim form. Claim forms are available from Wespath (Health Team), or from the Claims Administrator's office or website.
- Attach copies of all bills to be considered for benefits. These bills must include the provider's name and address, the patient's name, the diagnosis, the date of service, a description of the service and the Claim charge.
- Mail the completed Claim form with attachments to the proper Claims Administrator, whose address you can find in the appropriate *HealthFlex Benefits Booklet* or on the HealthFlex/WebMD or Claims Administrator's website. (HealthFlex Benefit Booklets are available at [wspath.org](http://wspath.org); select "HealthFlex/WebMD" and log in. Then select "HealthFlex Plan Benefits" and search the Benefit Booklets in the Reference Center.)
- In some cases, claims may be filed electronically (through the Claims Administrator's website) or by fax. See the *HealthFlex Benefits Booklet* or each Claims Administrator's information for details. Claims forms may also be found on the HealthFlex/WebMD website ([wspath.org](http://wspath.org); select "HealthFlex/WebMD" and log in. Then select "HealthFlex Plan Benefits" or "HealthFlex Exchange Benefits").

You should keep copies of any documents you submit with a Claim.

You must submit your Claims no more than 12 months from the date of service. Claims filed after 12 months may not be eligible for payment or will be subject to reduced payment.

If you have any questions about filing Claims, contact Wespath's Health Team or call the Claims Administrator's office or review the *HealthFlex Benefits Booklet* applicable to your Benefit Option and Claim.

### Claims Procedures

Usually, the Claims Administrator will pay Claims within 30 days of receipt of all information required to process your Claim. If the Claims Administrator denies your Claim, in whole or in part, you will receive a response with:

- the reasons for denial,
- a reference to the Plan provisions on which the denial is based,
- a description of additional information that may be necessary to process the Claim, and
- an explanation of how you may have the Claim reviewed by the Claims Administrator if you do not agree with the denial.

### Claim Review Procedures

If your Claim has been denied in whole or in part, you may have your Claim reviewed. The Claims Administrator will review its decision in accordance with the procedures it has established that are described in the *HealthFlex Benefits Booklet* applicable to your Claim and on your Claim denial notice.

The Claim review procedures of the Plan's Claims Administrators will comply with the requirements of the Patient Protection and Affordable Care Act (PPACA or ACA), Section 2719 of the Public Health Service Act (PHSA), and, as made applicable by the Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Internal Claims and Appeals and External Review Processes Under the Patient Protection and Affordable Care Act; Interim Final Rule

issued by the Department of Health and Human Services (45 CFR Part 147) the Department of Labor's claims procedure regulations under 29 CFR 2560.503-1.

**Note:** You cannot sue or pursue a cause of action in law or equity in state or federal court against the Plan, Wespath, any of the Claims Administrators or insurers, or your Plan Sponsor, with respect to any Claim of any kind until you have exhausted the Claims, Claims review and appeals procedures applicable to your Claim.

## APPEALS

The terms of the appeals processes for Claims under HealthFlex are outlined in this section.

### **Delegated Appeals Procedures—Medical, Prescription Drug, Dental, Vision and Mental Health Claims**

Wespath has a fiduciary duty to hear appeals of Claims under the Plan. The Plan Document grants Wespath the power to delegate fiduciary and non-fiduciary duties and obligations to its agents. Wespath has delegated, through the terms of administrative services agreements and contracts and policies of insurance, the fiduciary duties of adjudicating Claims for benefits, and hearing and adjudicating appeals of denied Claims to its Claims Administrators for medical, prescription drug, mental and behavioral health, dental and vision Benefit Options. You or your provider must submit all Claims for medical, prescription drug, mental health, dental and vision benefits to these Claims Administrators. Claimants must submit **all appeals** of denied Claims for medical, prescription drug, mental and behavioral health, dental and vision benefits to these Claims Administrators.

The appeals procedures of the Plan's Claims Administrators will comply with the Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Internal Claims and Appeals and External Review Processes Under the Patient Protection and Affordable Care Act; Interim Final Rule issued by the Department of Health and Human Services (45 CFR Part 147) implementing Section 2719 PHSA.

The final determination—**the final and binding appeal**—with respect to; (i) medical, (ii) prescription drug, (iii) mental and behavioral health, (iv) dental and (v) vision benefits rests with these Claims Administrators. **Wespath has delegated these administrative and fiduciary duties to the Claims Administrators and does not have the authority to review the determinations.**

### **Other Claims and Appeals Procedures**

The following appeals procedures apply when you wish to appeal a Claim regarding your elections, eligibility, enrollment, or reimbursement from a health reimbursement account, health savings account, flexible spending account.

#### **HealthFlex Election, Eligibility and Enrollment Appeals**

As the Plan's administrator, Wespath is charged with determining:

- your eligibility for coverage under the group health plan, flexible spending account and health savings account components of the Plan in accordance with the Plan and your Plan Sponsor's Adoption Agreement;
- premium conversion plan benefits;
- your ability to make elections and the validity thereof; and
- your proper enrollment.

If you have a Claim under the Plan related to eligibility, enrollment or elections, you must submit the Claim in writing to Wespath at:

Wespath Benefits and Investments  
Attention: *Health Team*  
1901 Chestnut Avenue  
Glenview, Illinois 60025

Wespath will treat Claims submitted in writing as initial Claims. In addition, Wespath, in its discretion, can treat a Claim raised by telephone with the Health Team as an initial Claim. Moreover, in its discretion, Wespath can treat an inquiry raised by your Plan Sponsor or other representative as an initial Claim.

Wespath will promptly consider your Claim and notify you in writing of the Plan's decision within 30 days of receipt of the Claim. This period may be extended one time by the Plan for up to 15 days, provided that Wespath both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies you, prior to the expiration of the initial 30-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If Wespath denies any Claim under the Plan, in whole or in part, Wespath will provide you written notice setting forth:

- the specific reason or reasons for the denial;
- reference to pertinent provisions of the Plan on which the denial is based;
- a description of any additional material or information necessary for adjudicating the Claim and an explanation of why such material or information is necessary; and
- an explanation of the Plan's appeals procedures.

### **First Appeal**

You or your representative then has 45 days from the date of the notice of denial from Wespath in which to submit an initial appeal (Initial Appeal). The Claim denial from Wespath should contain a *Notice of Initial Appeal*. You should carefully read the *Notice of Initial Appeal* and follow the time frames set out therein.

On appeal, you may submit documentation that supports your Claim, such as additional facts, information, documentation or arguments, to the Initial Appeal Committee. The Initial Appeal Committee will only consider those issues and supporting documents that are submitted with the Notice of Initial Appeal, except by its leave or discretion. The Initial Appeal Committee will be guided by an assigned Compliance Specialist. The Compliance Analyst, at her or his discretion, may speak with you to gather more facts and allow you to explain your Claim and argument. The Initial Appeal Committee will review and consider: (i) the facts and circumstances; (ii) your argument; (iii) the applicable provisions from the Plan Document, *Summary Plan Description*, *HealthFlex Benefit Booklets* and other pertinent documents; and (iv) any mitigating circumstances, and then make its determination.

The Initial Appeal Committee will grant or deny your Claim and notify you of the decision within 45 days of receiving your *Notice of Initial Appeal*. If the Initial Appeal Committee denies your appeal, you will receive a letter of denial that sets forth the specific reason for the denial.

### **Intermediate Appeal**

If your claim for benefits is fully or partially denied by the Initial Appeals Committee, your appeal will be referred to the Intermediate Appeals Committee for consideration. The Intermediate Appeals Committee is free to reconsider all aspects of the Claim and the evidence anew and is not bound by any decision or theory of the Claim at a lower level. The Intermediate Appeals Committee will decide your appeal within 90 days.

The Intermediate Appeals Committee will notify you in writing of its decision, citing the specific reasons for the decision and the provisions of HealthFlex upon which the decision is based.

### **Final Appeal**

You may appeal the Intermediate Appeal Committee's denial of your Claim by submitting, within 90 days of the notice of denial from the first appeal, a *Notice of Final Appeal* and documentation that supports your Claim, such as additional facts or information tending to dispute Wespath's interpretation of the Plan or the facts upon which Wespath based its Claim denial decision. The Final Appeals Committee will only consider those issues and supporting documents that are submitted with the *Notice of Final Appeal*, except by its leave or discretion. You must file your appeal on the forms required by Wespath.

The Final Appeals Committee will hold a hearing of the intermediate appeal within 60 days of the date that Wespath receives both the *Notice of Final Appeal* and all supporting documentation. Upon receipt of your completed Notice of Final Appeal, Wespath will send you a letter 1) confirming receipt of the *Notice of Final Appeal* and supporting documentation, if any, and 2) informing you of a scheduled hearing date. You may request a delay of the scheduled

hearing for up to 45 days. The Final Appeals Committee will respond to you in writing with a decision within 30 calendar days after you requested a delay. If the Final Appeals Committee requires more time or information to make its determination, the Final Appeals Committee will notify you in writing within the initial 30 days to request an extension of up to 45 calendar days, if, at the discretion of the Final Appeals Committee, such extension is necessary, and to specify any additional information the Final Appeals Committee requires to complete the review.

You or your duly authorized representative may present your appeal to the Final Appeals Committee in person or by conference call. If you or your representative choose to appear at the hearing in person, you will be wholly responsible for all costs associated with such appearance.

### **Appeal to the State of Texas**

You have the right to contact the Texas Department of Insurance for assistance at any time for either a complaint or an Adverse Determination appeal. The Texas Department of Insurance may be contacted at the following address and telephone number: Texas Department of Insurance 333 Guadalupe Street P.O. Box 149104 Austin, TX 78714-9104 1-800-252-3439.

### **Health Reimbursement Account (HRA), Health Savings Account (HSA) and Flexible Spending Account (FSA) Claims**

You must submit Claims for reimbursement from the health care or dependent care FSA to WageWorks. Through contracts with WageWorks, Wespath has delegated administrative duties to process and review only initial Claims. If WageWorks denies your Claim for HRA, HSA or FSA reimbursement and you wish to appeal the denial, you must follow the appeals process outlined above for eligibility, enrollment and election Claims.

Addresses and other details for filing claims WageWorks are provided in the *HealthFlex Benefit Booklets* or on the HealthFlex/WebMD website ([wespath.org](http://wespath.org); select “**HealthFlex/WebMD**” and log in; then search under **HealthFlex Vendor Links**).

### **ERISA and DOL Regulations Inapplicable**

The Plan is a Church Plan. As a Church Plan, the Plan is exempt under §4(b)(2) of ERISA from all the requirements of Title I of ERISA. The Plan is not subject to most of the regulations promulgated by the U.S. Department of Labor.

### **Grievances**

If you have a concern regarding a person, a service, the quality of care or benefits under the Plan, you can write to Wespath to explain your concerns. If you are unhappy with Wespath’s customer service or with the design of the Plan (i.e., specific exclusions under the Plan), or if you have other complaints or concerns, you should explain your grievance in writing and send it to Wespath at:

Wespath Benefits and Investments  
Attention: Legal Services Department  
1901 Chestnut Avenue  
Glenview, Illinois 60025

You may also submit grievances to your Plan Sponsor.

### **Legal Action Against the Plan**

No Participant or other Claimant may sue or pursue a cause of action in law or equity in state or federal court against the Plan, Wespath, any of the Claims Administrators or insurers, or Plan Sponsors, with respect to any Claim of any kind until the Participant or Claimant has exhausted these Claims and appeals procedures. The Participant or Claimant must sue within three (3) years of the time the Claim arose, unless the law in the area where the Participant or Claimant lives allows for a longer period of time.

### **LIMITATIONS AND EXCLUSIONS**

Please consult the HealthFlex Benefit Booklet for Plan limitations and exclusions.

## COORDINATION OF BENEFITS

### **Coordination of Benefits for Medical Claims**

Coordination of Benefits (COB) applies when you have health care coverage through more than one policy or group plan. The purpose of COB is to ensure that there is not a duplication of benefit payments. In other words, the total payment from this Plan as a secondary payer (Secondary Plan) will not, when added to the benefit paid by the primary plan (Primary Plan), exceed what this Plan would have paid if it were the Primary Plan or only plan. You are obliged to notify the Claims Administrator or Plan Administrator if you are covered by Other Health Coverage or if you have other health insurance; failing to do so can be considered fraud.

To coordinate benefits, it is necessary to determine what the payment responsibility is for each benefit plan. The following rules apply:

- The coverage under which you are the Participant or Employee (rather than covered as a dependent) is the Primary Plan (meaning that benefits are paid first under that plan). The other coverage is the Secondary Plan and only pays any remaining eligible charges up to what the Secondary Plan would pay if it were the Primary Plan.
- When a Dependent child receives services, the birthdays of the child's parents are used to determine which coverage is the Primary Plan. The coverage of the parent whose birthday (month and day) comes before the other parent's birthday in the calendar year will be considered the Primary Plan. If both parents have the same birthday, then the coverage that has been in effect the longest is the Primary Plan. If the other coverage does not have this "birthday" type of COB provision and, as a result, both coverages would be considered either the Primary Plan or the Secondary Plan, then the provisions of the other coverage will determine which coverage is the Primary Plan.
  - However, when the parents are separated or divorced and the parent with custody of the child has not remarried, the benefits of a plan that covers the child as a dependent of the parent with custody of the child will be determined before the benefits of a plan that covers the child as a dependent of the parent without custody.
  - When the parents are divorced and the parent with custody of the child has remarried, the benefits of a plan that covers the child as a dependent of the parent with custody shall be determined before the benefits of a plan that covers that child as a dependent of the stepparent, and the benefits of a plan that covers that child as a dependent of the stepparent will be determined before the benefits of a plan that covers that child as a dependent of the parent without custody.

However, if there is a court decree that would otherwise establish financial responsibility for the medical, dental or other health care expenses with respect to the child, the benefits of a plan that covers the child as a dependent of the parent with such court-ordered financial responsibility shall be determined before the benefits of any other plan that covers the child as a dependent child. It is the obligation of the person claiming benefits to notify the Claims Administrator and upon its request to provide a copy of such court decree.

If neither of the above rules applies, then the coverage that has been in effect the longest is the Primary Plan. The only time these rules will not apply is if the other group plan does not include a COB provision. In that case, the other group plan is automatically the Primary Plan and HealthFlex will be the Secondary Plan.

The Claims Administrator has the right in administering these COB provisions to:

- pay any other organization an amount that it determines to be warranted if payments that should have been made by the Claims Administrator have been made by such other organization under any other plan; and
- recover any overpayment that the Claims Administrator may have made to you, any plan, provider, insurance company, person or other organization.

### **Right to Receive and Release Information**

The Claims Administrator, with or without your consent, may obtain information from and release information to any other health care plan with respect to you in order to coordinate your benefits pursuant to this section. You must provide all information the Claims Administrator requests in order to coordinate your benefits pursuant to this section. This request may occur in connection with a submitted Claim; if so, you will be advised that the "other coverage" information

(including an Explanation of Benefits paid under the Primary Plan) is required before the Claim will be processed. If no response is received within 90 days of the request, the Claim will be denied. If the requested information is subsequently received, the Claim may be processed, subject to certain time limits.

When coordinating benefits with Medicare, this Plan will be the Secondary Plan and determine benefits after Medicare, where permitted by the Medicare Secondary Payer (MSP) rules of the Social Security Act. However, when more than one Plan is secondary to Medicare, the benefit determination rules identified above will be used to determine how benefits will be coordinated.

### **Coordination of Benefits for Claims Other Than Medical Claims**

Your mental health benefits are coordinated in a similar manner as those for medical claims, described above, but are coordinated pursuant to the terms of the policy of insurance with UBH described in the *HealthFlex Benefits Booklet* for Mental Health Benefits. Your dental benefits are subject to a coordination of benefits provision that is similar to that described above for medical claims and is explained in the *HealthFlex Benefits Booklet* for Dental Benefits. The Plan does not coordinate benefits for prescription drug claims, as explained in the *HealthFlex Benefits Booklet* for your medical Benefit Option. If the Plan is not the primary plan for prescription drug coverage, the Plan will not pay any amounts for prescription drug Claims.

### **Medicare-Eligible Persons**

The Claims Administrator will pay on behalf of the Plan as the Secondary Plan only as permitted by the MSP rules for the following:

- a former Employee or Participant who is eligible for Medicare and whose coverage is continued for any reason as provided in this Plan;
- a former Employee's or Participant's Dependent or a former Dependent Spouse who is eligible for Medicare and whose coverage is continued for any reason as provided in this Plan;
- an Employee or Participant eligible for Medicare due to disability;
- a Dependent, eligible for Medicare due to disability, of an Employee or Participant whose employer and each other employer participating in the Plan having fewer than 100 employees;
- an Employee or Participant or a Dependent of an Employee or Participant of an employer who has fewer than 20 employees, if that person is eligible for Medicare due to age; and
- an Employee or Participant, retired Employee or Participant, Employee's or Participant's Dependent or retired Employee's or Participant's Dependent who is eligible for Medicare due to End Stage Renal Disease after that person has been eligible for Medicare for 30 months.

The Claims Administrator will assume the amount payable under:

- Part A of Medicare for a person who is eligible for that Part without premium payment, but has not applied, to be the amount he or she would receive if he or she had applied; and
- Part B of Medicare for a person who is entitled to be enrolled in that Part, but is not, to be the amount he or she would receive if he or she were enrolled.

### **Your Medicare Secondary Payer Responsibilities**

In order to assist your Plan Sponsor and Wespath in complying with MSP laws, it is very important that you promptly and accurately complete any requests for information from the Claims Administrator, your Plan Sponsor and Wespath regarding your Medicare eligibility or that of your Spouse and Dependents. In addition, if you, your Spouse or your Dependents become eligible for Medicare, or have Medicare eligibility terminated or changed, please contact your Plan Sponsor or Wespath promptly to ensure that your Claims are processed in accordance with applicable MSP laws.

## **REIMBURSEMENT**

### **Recovery of Excess Benefits**

If Wespath or the Claims Administrator makes payments for benefits that should have been paid by a Primary Plan (under *Coordination of Benefits*, above), or if Wespath or the Claims Administrator makes payments in excess of those for which

the Plan is obligated to provide under its terms, the Claims Administrator and Wespath will have the right to recover the actual payment made, pursuant to a claim in equity. Wespath and Claims Administrator will have the discretion to seek such recovery from any person to, or for whom, or with respect to whom, such payments were made by any insurance company, Other Health Coverage or other organizations. You are required to execute and deliver to Wespath or the Claims Administrator the instruments and documents necessary to secure this right of recovery.

### **Expenses for Which a Third Party May Be Liable**

The Plan does not cover expenses for which another party may be responsible as a result of having caused or contributed to the injury or illness. If you incur an expense for a covered service for which, in the reasonable opinion of the Claims Administrator, another party may be liable:

- The Claims Administrator shall, to the extent permitted by law, be subrogated (meaning it will stand in your place legally) to all rights, claims or interests that you may have against such party and shall automatically have a lien upon the proceeds of any recovery by you from such party to the extent of any benefits paid under the Plan. You or your representative may be required to execute the documents necessary to secure the Claims Administrator's subrogation rights.
- Alternatively, the Claims Administrator may, at its sole discretion, pay the benefits otherwise payable under the Plan. However, you must first agree in writing to refund to the Claims Administrator the lesser of: a) the amount actually paid for the covered services by the Claims Administrator, or b) the amount you actually receive from the third party for the covered services at the time that the third party's liability is determined and satisfied, whether by settlement, judgment, arbitration, award or otherwise.

### **CONFIDENTIALITY, PRIVACY AND HIPAA**

Wespath and all HealthFlex Plan Sponsors have a duty under HIPAA to maintain adequate separation of Plan functions and employment matters. Wespath permits disclosures relating to payment under, health care operations of, and other matters pertaining to the Plan in the ordinary course of business. Access to and use of personal protected health information (PHI) is limited to the minimum amount necessary to perform Plan administrative functions. Anyone employed by Wespath who does not comply with HIPAA and the related provisions of the Plan is subject to disciplinary action and sanctions.

### **PRE-EXISTING CONDITIONS**

Effective January 1, 2014 under the Affordable Care Act, Participants and Dependents are not subject to any benefit limitations due to pre-existing conditions.

### **PLAN SPONSOR DUTIES**

Each Plan Sponsor has the following duties with respect to the Plan:

- to determine initial eligibility consistent with the terms of the Plan and to enroll clergy Employees and lay Employees within 30 days of each Employee becoming eligible;
- to maintain records of Employees' enrollment and elections;
- to remit Required Contributions to Wespath;
- to provide Wespath with notice of a Participant's termination of employment, termination of Conference relationship or Change of Status, where the Plan Sponsor is made aware of the Change of Status;
- to provide Wespath with statistical data and other information satisfactory in form and accuracy within a reasonable time after a request;
- to register with and report to government agencies, as appropriate;

- to comply with applicable federal and state laws and regulations, including, but not limited to, nondiscrimination requirements;
- to properly notify clergy Employees and lay Employees of their rights and obligations under the Plan, including giving notices required under the Plan, HIPAA or the Code;
- to comply with the terms of HIPAA; and
- to execute an Adoption Agreement indicating its elections of optional Plan provisions and providing any other information called for by the Adoption Agreement.

The Plan Sponsor may be deemed to satisfy its duties through actions by a Salary-Paying Unit (SPU) or other entity, but the Plan Sponsor remains responsible for the duties if they are not carried out in an appropriate manner or timely fashion.

## PLAN SPONSOR AMENDMENT AND TERMINATION

Wespath may amend prospectively or retroactively any and all provisions of this Plan or an Adoption Agreement at any time by written instrument. A Plan Sponsor may amend its Adoption Agreement from year to year with respect to eligibility and Benefit Options.

Wespath may terminate a Plan Sponsor's association with the Plan for any reason by providing the Plan Sponsor 90 days' written notice. In addition, Wespath may terminate a Plan Sponsor for breach of the Plan's provisions or the terms of the Adoption Agreement, or for non-payment of Required Contributions if the Plan Sponsor does not rectify the breach or delinquency upon notice within 30 days. If a Plan Sponsor's participation in the Plan is terminated, the Plan Sponsor cannot re-adopt the Plan for a period of three years. The termination of a Plan Sponsor will not excuse the Plan Sponsor from making payment in full of all Required Contributions. Wespath will notify affected Participants in the case of a termination of a Plan Sponsor.

A Plan Sponsor may terminate its participation in the Plan by providing 180 days' notice to Wespath. Your Plan Sponsor must inform you of its termination from the Plan at least 60 days before the date of termination.

## TERMINATION OF THE PLAN

Wespath has the right to terminate the Plan and the Trust at any time. The disposition of assets remaining in the Plan, if any, after all obligations of the Plan have been satisfied, will be at Wespath's discretion.

## MISCELLANEOUS IMPORTANT PROVISIONS

### **Not Insurance**

Use of the terms Co-insurance, Co-payment, Deductible and premium in this SPD does not imply that the Claims Administrators insure the Plan. Similarly, use of such terms does not imply that the Plan or Wespath is in the business of insurance. The Plan is offered by Wespath as a self-funded Church Plan only for the benefit of eligible clergy and Employees and their families of organizations affiliated with Wespath through The United Methodist Church.

Although Church Plans are considered employee welfare benefit plans under Section 3(1) of ERISA, as indicated by Section 4(b)(2) of ERISA, Title I of ERISA does not apply to Church Plans. Therefore, most regulations issued by the U.S. Department of Labor do not govern the administration of the Plan. In addition, Church Plans are exempt from most state laws regulating insurers, such as state insurance licensing, solvency and funding requirements, by the Church Plan Parity and Entanglement Protection Act of 2000 (Parity Act). Self-insured Church Plans generally are not subject to many other state laws and regulations that govern insurers because they are not in the "business of insurance," and the Parity Act, along with certain state laws with respect to Church Plans, may exempt such Plans from state regulatory reach.

## **Interpretation of the Plan and Benefits**

Wespath has sole and exclusive discretion to do all of the following:

- interpret the provisions and terms of and benefits available under the Plan;
- interpret the other terms, conditions, limitations and exclusions of the Plan, including this SPD; and
- make factual determinations related to the Plan and the benefits provided under it.

Wespath has delegated some of that authority to the Claims Administrators. Wespath has delegated the authority to adjudicate Claims and appeals to the Claims Administrators. Wespath and the Claims Administrators (with Wespath's consent) may delegate this discretionary authority to other persons or entities that provide services to the Plan.

In certain circumstances, for purposes of overall cost savings or efficiency, Wespath and the Claims Administrator may, in their discretion, offer benefits for services that would otherwise not be covered. The fact that Wespath and the Claims Administrators do so in any particular case shall not in any way be deemed to require them to do so in other similar cases.

## **No Waiver**

The failure of Wespath or the Claims Administrator to enforce strictly any term or provision of this SPD or the Plan will not be construed as a waiver of such term or provision. Wespath reserves the right to enforce strictly any term or provision of this SPD and the Plan at any time.

## **Clerical Error**

If a clerical error or other mistake occurs, that error does not create a right to benefits under the Plan. These errors include, but are not limited to, providing misinformation on eligibility or benefit coverage or entitlements. Oral statements made by Wespath, the Claims Administrators or any other person will not serve to amend the Plan. In the event an oral statement conflicts with any term of the Plan, the Plan terms will control.

## **Applicable Law**

The Plan will be construed according to applicable federal law and the laws of the State of Illinois, other than its laws respecting choice of law, to the extent state laws are not pre-empted by federal law.

The Plan is intended to be and will be construed accordingly as:

- a cafeteria plan under Code §125(d) containing a medical expense reimbursement plan (health care FSA) under Code §105, a dependent care expense reimbursement plan (dependent care FSA) under Code §129, and a health savings account (HSA) under Code §223,
- an employee welfare benefit plan under ERISA §3(1), and
- a Church Plan under Code §414(e) and ERISA §3(33) exempt from Title I of ERISA by ERISA §4(b)(2).

In addition, state insurance laws and regulations will not apply to the Plan to the extent:

- they are pre-empted by federal law, including, but not limited to, ERISA, the Code, HIPAA and the Parity Act; and
- they are made inapplicable by state laws, regulations or case law that exempt self-insured plans from the applicability of state insurance statutes and regulations.

## **Plan Document Controls**

If there are any discrepancies between this SPD and the terms and conditions set forth in the official plan document of the Hospitalizations and Medical Expense Program (Plan Document), the terms of the Plan Document will govern.

## **Your Rights**

If you have any questions about your rights under HIPAA or the Affordable Care Act (ACA or PPACA), you should contact the appropriate department of the U.S. Department of Health and Human Services:

- For HIPAA concerns (primarily):  
Office for Civil Rights  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW, Room 509F

HHH Building  
Washington, D.C. 20201

- For ACA concerns (primarily):  
Center for Consumer Information and Oversight  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, D.C. 20201

## Legal Requirements

The Plan's Benefit Options comply with the following federal laws:

### **The Women's Health and Cancer Rights Act—Coverage for Reconstructive Surgery Following Mastectomy**

When a Participant who has had a mastectomy decides to have breast reconstruction, based on consultation between the attending physician and the patient, the following benefits will be subject to the same Co-payments and Deductibles that apply to other Plan benefits:

- reconstruction of the breast on which the mastectomy was performed;
- surgery and reconstruction of the other breast to produce a symmetrical appearance;
- treatment of physical complications in all stages of mastectomy, including lymphedema; and
- mastectomy bras and external prostheses limited to the lowest-cost alternative available that meets the patient's physical needs.

The coverage described above is consistent with the requirements of the Women's Health and Cancer Rights Act of 1998 (Cancer Rights Act). Although the Cancer Rights Act is not directly applicable to the Plan because it is a Church Plan, the benefits described above are available to Participants. For more information about this coverage, review your *HealthFlex Benefits Booklet*.

### **Newborns' and Mothers' Health Protection Act**

Under federal law, group health plans generally may not restrict benefits for any hospital stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section, or require that a provider obtain authorization from the Plan for prescribing a length of stay not in excess of the above periods. The law does not prohibit an attending physician from discharging a mother or newborn earlier than 48 or 96 hours, where appropriate. Please review your *HealthFlex Benefits Booklet* for further details on the specific coverage terms.

### **Notice of Patient Protections**

The Plan generally allows the designation of a primary care provider. You have the right to designate any primary care provider who participates in the Plan's network (i.e., a participating primary care provider) and who is available to accept you or your family members. For children, you may designate a pediatrician as the primary care provider. For information on how to select a primary care provider and for a list of the participating primary care providers, you can access Blue Cross and Blue Shield of Illinois at [bcbsil.com](http://bcbsil.com) or UnitedHealthcare at [myuhc.com](http://myuhc.com).

You do not need prior authorization from the Plan or from any other person (including a primary care provider) in order to obtain access to obstetrical or gynecological care from a health care professional in the Plan's network who specializes in obstetrics or gynecology. The health care professional, however, may be required to comply with certain procedures, including obtaining prior authorization for certain services, following a pre-approved treatment plan, or following procedures for making referrals. For a list of participating health care professionals who specialize in obstetrics or gynecology, you can access Blue Cross and Blue Shield of Illinois at [bcbsil.com](http://bcbsil.com) or UnitedHealthcare at [myuhc.com](http://myuhc.com).

### **Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)**

USERRA sets requirements for continuation of health coverage and reemployment with respect to military leaves of absence. These requirements may apply to medical coverage for you and your Dependents. They do not apply to any life, short-term or long-term disability, or accidental death and dismemberment coverage.

#### ***Continuation of Coverage***

For military leaves of 31 days or more, you may continue coverage for yourself and your Dependents by paying the Required Contribution to your Plan Sponsor until the earliest of the following:

- the end of a period of time determined by your Plan Sponsor in accordance with USERRA from your last day of employment,
- the day after you do not return to work, or
- the date the Plan is terminated.

The Plan may charge you and your Dependents up to 102% of the total Required Contribution for coverage during the leave.

#### ***Reinstatement of Benefits***

If your coverage ends during the leave because you do not elect USERRA continuation coverage and you are reemployed by your Plan Sponsor, you may reinstate coverage for you and your Dependents if you gave your Plan Sponsor advance written or verbal notice of your military service leave, and the duration of all military leaves while you are employed with your Plan Sponsor does not exceed five (5) years.

#### ***Time Frames for Requesting Reemployment***

When a military leave ends, you must report your intent to return to work as follows:

- for leaves of less than 31 days or for a fitness exam, by reporting to your Plan Sponsor by the next regularly scheduled work day following eight hours of travel time;
- for leaves of 31 to 180 days, by submitting an application to your Plan Sponsor within 14 days; and
- for leaves of more than 180 days, by submitting an application to your Plan Sponsor within 90 days.

Consult your employer or Plan Sponsor for more details regarding your USERRA rights.

### **MEDICALLY NECESSARY DETERMINATIONS**

The Claims Administrator of the Benefit Option under which you make your Claim will make the decision as to whether any health care services or supplies are medically necessary or medically appropriate. The Plan will not pay Claims that its Claims Administrators determine are not medically necessary or medically appropriate. Under the terms of its agreements with its Claims Administrators, and its authority under the Plan to delegate duties, **Wespath does not have the discretion or authority to make determinations of medical necessity.**

## DEFINITIONS

### **Adoption Agreement**

An Adoption Agreement is an agreement that is executed by each Plan Sponsor and becomes part of the Plan when it is accepted by Wespath. An Adoption Agreement is the means by which a Plan Sponsor adopts the Program and specifies any optional provisions, such as Benefit Options, that are a part of any Program as to that Plan Sponsor.

### **Affiliated Organization**

The term Affiliated Organization means any of the organizations and corporations associated with Wespath through The United Methodist Church, as described in Section 414(e) of the Code.

### **Affordable Care Act (ACA or PPACA)**

The Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act (Public-Law 111-152), i.e., the federal health care reform laws enacted in March 2010.

### **Annual Election Period**

The term Annual Election Period means a period of time during which Participants and eligible Employees may elect Benefit Options for the following Plan Year for themselves and Dependents, by completing an election worksheet or making elections online through the HealthFlex/WebMD website. Wespath determines the period of time that is the Annual Election Period. For newly eligible Employees, there is an open enrollment period and election period that works as an Annual Election Period for the remainder of the Plan Year; this is the 30 days immediately following the date of hire by or appointment to the Plan Sponsor.

### **Benefit Option**

Benefit Option means a qualified benefit under §125(f) of the Code that is offered under a cafeteria plan or an option for coverage under an underlying accident or health plan (such as a PPO or a HRA Plan option). In other words, under the Plan, generally, the B1000, HRA Plans, HSA Plans, OOA (out-of-area) and Mental Health PPO plans for medical benefits with their corresponding prescription drug plans are considered separate Benefit Options. The Passive PPO and PPO dental plans, and the full-service and premier vision plans, also are considered separate Benefit Options.

### ***The Book of Discipline***

*The Book of Discipline* means the body of church law established by the General Conference of The United Methodist Church, as amended from time to time.

### **Calendar Year**

The term Calendar Year means a 12-month period beginning on January 1 and each 12-month period thereafter (i.e., January 1 through December 31).

### **Church Plan**

A Church Plan is an employee benefit plan established and maintained for its employees by a church or by a convention or association of churches as established in §414(e) of the Code and §3(33) of ERISA.

### **Claim**

A Claim is notification in a form acceptable to the Claims Administrator that a service has been rendered or furnished to you. This notification must include full details of the service received, including your name, age, gender, identification number, the name and address of the provider, an itemized statement of the service rendered or furnished, the date of service, the diagnosis, the Claim charge and any other information that the Claims Administrator may request in connection with services rendered to you.

### **Claims Administrator**

For medical and hospitalization services provided under the Plan's medical Benefit Options, the term Claims Administrator means Blue Cross and Blue Shield of Illinois or UnitedHealthcare Insurance Company, depending on the geographic area in question. For administration of prescription drug benefits provided by the Plan, the Claims Administrator is OptumRx. For administration of dental benefits provided by the Plan, the Claims Administrator is Connecticut General Life Insurance

Company (CIGNA). For administration of vision benefits provided by the Plan, the Claims Administrator is Vision Service Plan Insurance Company (VSP, Inc.). For administration of mental and behavioral health benefits provided by the Plan, the Claims Administrator is United Behavioral Health. For administration of FSA or HRA Claims under the Plan, the Claims Administrator is WageWorks. Wespath has delegated certain administrative and fiduciary duties to the Claims Administrators pursuant to contractual arrangements, including, but not limited to, providing access to networks of providers, processing and paying Claims and hearing and deciding Claims appeals. The Plan's Claims Administrators may be changed at Wespath's discretion.

### **Code**

The term Code means the Internal Revenue Code of 1986, as amended.

### **Co-Insurance**

The term Co-insurance means the percentage of charges or expenses for covered services that a Participant is required to pay under the Plan after satisfaction of any applicable Deductible.

### **Conference**

The term Conference means an Annual Conference, Provisional Conference or Missionary Conference of The United Methodist Church that is located in a Jurisdictional Conference in the U.S., as such entities are defined in *The Book of Discipline*.

### **Co-Payment**

Co-payment, sometimes called a "co-pay," means the first-dollar amount you must pay for certain covered services under the Plan that is usually paid at the time the services are performed (e.g., physician office visits or emergency room visits). Co-payments do not apply to your annual Deductible. However, co-payments do apply to your annual out-of-pocket maximum and continue to apply once you reach your Out-of-Pocket Maximum.

### **Deductible**

The term Deductible means the amount of charges for covered services you must pay during each Plan Year before the Plan will begin considering paying expenses or making reimbursement.

### **Dependent**

The term Dependent, for all Participants, regardless of a Participant's State of residence, means:

- your lawful Spouse; and
- any child of yours who is:
  - less than 26 years old; or
  - age 26 and older and:
    1. an unmarried child who is mainly dependent on you for financial support and is currently a covered dependent as a result of Michelle's Law; or
    2. an unmarried child who is not self-supporting due to a physical or mental impairment.

A child includes one who is in the custody of the Participant, pursuant to an interim court order of adoption or placement for adoption, whichever comes first, whether or not a final order granting adoption is ultimately issued. It also includes a stepchild who lives with you. It also includes a child living with you for whom you are the legal guardian. Benefits for a Dependent will continue until the last day of the calendar month in which age 26 is reached. No one may be considered as a Dependent of more than one Participant. Under the Medical Reimbursement and Dependent Care Accounts, the definition of "dependent" is determined by §§125, 152, 105 and 129 of the Code.

### **Employee**

For purposes of this SPD, the term Employee means a person who is described as an employee of a church in Sections 414(e)(3) or 7701(a)(20) of the Code, who is a clergy person serving The United Methodist Church or who is a common-law employee of Wespath or a Plan Sponsor, including a former Employee who has retired.

## **ERISA**

The term ERISA means the Employee Retirement Income Security Act of 1974, as amended. The Plan is a Church Plan and therefore is generally exempt from ERISA regulations under ERISA §4(b)(2).

## **General Board**

The term General Board means the General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois, in its role as Plan Administrator. As of July 2016, the General Board is doing business as Wespath Benefits and Investments (Wespath).

## **HealthFlex Exchange**

HealthFlex Exchange is a plan selection model that permits participants to choose from all HealthFlex Benefit Options, each coupled with a pharmacy plan. HealthFlex Exchange retains the HealthFlex plan framework, including the same national networks, carriers and wellness programs.

## **Health Savings Account (HSA)**

Health Savings Accounts are employer-funded (i.e., funded by Plan Sponsor and Plan) for participants covered in a HSA Plan. HSAs also may be participant-funded, if elected. Contributions into the HSA are limited to a maximum amount each year. HSAs help Participants covered in the HSA Plan Benefit Option to satisfy higher deductibles and out-of-pocket expenses by reimbursing certain eligible medical expenses.

## **Health Reimbursement Account (HRA)**

Health Reimbursement Accounts are health reimbursement arrangements as described in IRS Notice 2002-45. HRAs are accounts funded by the employer (i.e., Plan Sponsor and Plan) to help Participants covered in the HRA Plan Benefit Option satisfy higher deductibles and out-of-pocket expenses by reimbursing certain eligible medical expenses. HRA Accounts do not include any Participant contributions. Outside of the HRA Plans, Plan Sponsors may choose to offer an HRA with other PPO Benefit Options under the HealthFlex Plan.

## **HRA Plans**

A Benefit Option under the Plan that is a HRA Plan is designed to drive Participants' behavior toward informed medical decision-making, and carries higher deductible and out-of-pocket limits than the PPO Benefit Options under the Plan. The HRA Plan is generally accompanied by an HRA, so Participants have Plan Sponsor- and Plan-provided financial assistance toward satisfying those higher deductibles.

## **HSA Plan**

HSA Plan refers to a Benefit Option under the Plan that is an IRS-qualified high-deductible health plan. The HSA plans are designed to drive participants' behavior toward informed medical decision-making and carries higher deductible and out-of-pocket limits than the PPO Benefit Options under the Plan. The HSA plans are accompanied by a health savings account (HSA), which provides Plan Sponsor- and Plan-provided financial assistance toward satisfying those higher deductibles. Participants may also contribute to the HSA.

## **HIPAA**

The term HIPAA means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder by the Secretary of the Department of Health and Human Services. Most notably, HIPAA regulations aim to protect patient and Participant privacy.

## **ID Card**

The term ID Card means the identification card that contains your Participant information, issued to you by the Claims Administrator.

## **Life Status Events**

Life Status Events are the events that allow a Participant to change his or her elections during a Plan Year, as described in the section of this SPD entitled *Life Status Events*.

### **Limited-Use FSA or HRA**

A Limited-Use FSA is a health care Flexible Spending Account that is elected by a Participant in an HSA Plan. A Limited-Use HRA is a Health Reimbursement Account for an individual who has elected an HSA plan). A Limited-Use FSA or HRA can only be used for dental and vision expenses.

### **Medicaid**

The term Medicaid means a state program of medical aid for needy persons established under Title XIX of the Social Security Act of 1965, as amended. Medicaid eligibility is typically based on financial need.

### **Medicare**

The term Medicare means the program of medical care benefits provided under Title XVIII of the Social Security Act of 1965, as amended. Medicare eligibility is typically for persons age 65 and older or certain disabled adults of any age.

### **Medicare Secondary Payer (MSP)**

The term Medicare Secondary Payer (MSP) means those provisions of the Social Security Act set forth in 42 U.S.C. w1395 y (b), and the implemented regulations set forth in 42 C.F.R. Part 411, as amended, which regulate the manner in which certain employers may offer group health care coverage to Medicare-eligible employees, their Spouses and, in some cases, Dependent children.

### **Medicare Secondary Payer Small Employer Exception (MSPSEE)**

The term Medicare Secondary Payer Small Employer Exception (MSPSEE) means an exception to Medicare Secondary Payer (MSP) rules. Generally HealthFlex pays primary for participants covered under both HealthFlex and Medicare. However, Medicare may pay primary for participants covered under both HealthFlex and Medicare if the participant's employer has less than 20 employees and other rules are met.

### **Medically Necessary/Medically Appropriate**

The term Medically Necessary/Medically Appropriate means health care services and supplies that are determined by the Claims Administrator to be:

- required to meet your essential health needs;
- consistent in type, frequency and duration of treatment with scientifically based guidelines as determined by medical research;
- required for purposes other than the convenience of the provider or the comfort and convenience of the patient; and
- rendered in the least-intensive setting that is appropriate for the delivery of health care.

### **OptumRx Home Delivery Pharmacy**

The term OptumRx Home Delivery Pharmacy means the program in which Participants may submit a maintenance (long-term) prescription along with the applicable Co-payment to OptumRx for dispensing via OptumRx Pharmacy, e.g., through the U.S. Postal Service or commercial delivery courier. The OptumRx Home Delivery Pharmacy is owned and operated by OptumRx.

### **Other Employer-Sponsored Group Health Coverage**

Under HealthFlex, Other Employer-Sponsored Group Health Coverage has a very specific definition and impacts eligibility in retirement, specifically, postponement of enrollment. It is defined as an employer-sponsored self-insured group health plan or insured group health or HMO plan; or employer-sponsored group health coverage provided under the Federal Employees Health Program. It *excludes* individual health insurance; Medicare Parts A and B; a Medicare Plus Choice plan not provided through HealthFlex; a plan for current and former members of the armed forces; a health plan provided through Indian Health Services; a state health benefit risk pool; a plan provided under the Peace Corps Act; a state, county, or municipal public health plan; an association health plan; and an individual or group health conversion plan.

## **Other Health Coverage**

Under HealthFlex, Other Health Coverage includes a self-insured group health plan; an individual health insurance plan (including coverage provided through a state or federal Health Insurance Marketplace (“Exchange”) or group health insurance or HMO plan; Parts A and B of Medicare; Medicaid; a health plan for current and former members of the armed forces; a health plan provided through Indian Health Services; a state health benefit risk pool; the Federal Employees Health Program; a plan provided under the Peace Corps Act; a state, county or municipal public health plan; a State Children’s Health Insurance Program (S-CHIP); health coverage provided under a plan established by a foreign country; coverage provided under state or federal health continuation mandates (e.g., COBRA); individual or group health insurance through an association; and an individual or group health conversion plan.

## **Out-of-Pocket**

The term Out-of-Pocket applies to expenses that call for Participants to incur a cash liability, such as the Participant’s share of Co-insurance, Co-payment or Deductible. In other words, it is the amount that the Participant must pay “out of his or her own pocket” for health care services.

## **Out-of-Pocket Maximum**

The term Out-of-Pocket Maximum means the maximum amount of charges for covered services you must pay during a Plan Year, including the Deductible, before the percentage the Plan pays for eligible expenses increases. The Out-of-Pocket Maximum is combined for medical, behavioral health, and pharmacy expenses. Separate in-network and out-of-network Out-of-Pocket Maximums exist. The individual Out-of-Pocket Maximum applies separately to each Participant and Dependent. When an individual reaches the annual Out-of-Pocket Maximum, the Plan then will pay 100% of additional eligible charges for covered services for that individual during the remainder of that Plan Year. The family Out-of-Pocket Maximum applies collectively to all Participants and Dependents in the same family. When the annual family Out-of-Pocket Maximum is reached, the Plan then will pay 100% of eligible charges for covered services for any covered family member during the remainder of that Plan Year.

However, expenses for services that do not apply to the Out-of-Pocket Maximum will never be paid at 100%. The following costs will never apply to the Out-of-Pocket Maximum:

- Any charges for services that are not covered services under the applicable Benefit Option; and
- Charges in excess of the maximum allowance as defined by the applicable Benefit Option, including balance billed charges by Non-Network Providers. Co-payments for services available from HealthFlex vendors or Claims Administrators other than OptumRx and either Blue Cross and Blue Shield of Illinois or UnitedHealthcare, as applicable. In other words, Co-payments to VSP and CIGNA for vision and dental services do not apply toward the Out-of-Pocket Maximum.

In accordance with federal regulations, eligible out-of-pocket expenses for behavioral health, pharmacy and medical Benefit Options count toward one shared Out-of-Pocket Maximum that is determined by the medical Benefit Option in which you are enrolled.

## **Participant**

The term Participant means either the Employee, i.e., the primary Participant, or an enrolled Dependent. This term applies only while such person is enrolled under the Plan. References to “you” and “your” throughout this SPD are references to a Participant. The term also may include retired Employees of Plan Sponsors who are eligible to participate under the Plan’s terms and the Plan Sponsor’s Adoption Agreement.

## **Plan**

The term Plan means the Hospitalization and Medical Expense Program maintained by Wespath on behalf of its Employees and the Employees and other Participants of the Plan Sponsors (i.e., HealthFlex). The Plan is a Church Plan.

**Plan Administrator**

The Plan Administrator of the Plan is the General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois, or its designee. As of July 2016, the General Board is doing business as Wespath Benefits and Investments (Wespath).

**Plan Sponsor**

The term Plan Sponsor means the Conference if the Participant is an Employee of the Conference (or of a local church if the Conference so elects) or a clergy member, or the Affiliated Organization for other Employees, that has executed an Adoption Agreement for the HealthFlex Plan.

**Plan Year**

The term Plan Year means the 12- month period ending on December 31 of each Calendar Year.

**Premium Credit**

The amount designated and provided by the Plan Sponsor to the Participant to apply toward Required Contributions for HealthFlex coverage (e.g., medical, dental, vision).

**Required Contribution**

Required Contributions include, but are not limited to, contributions or premiums due to the Plan for coverage under the Plan as calculated by Wespath in its discretion and any other amounts due as a condition of receiving coverage under the Plan. Contributions may be paid by the Primary Participant, Plan Sponsor or Salary-Paying Unit.

**Salary-Paying Unit (SPU)**

Salary-Paying Unit means any one of the following units associated with The United Methodist Church:

- the General Conference;
- a general agency of The United Methodist Church;
- a Jurisdictional Conference;
- a Conference and/or annual conference;
- a Conference board, agency or commission;
- a local church located in a Conference;
- any other entity to which a clergy person under Episcopal appointment is appointed; and
- any other employer of lay Employees who are eligible to participate in a Church Plan.

**Special Enrollment Events**

Special Enrollment Events are certain events that, under HIPAA, allow a Participant to change his or her elections during a Plan Year, as described in the section of this SPD entitled *Special Enrollment Events*.

**Spouse**

The term Spouse, for purposes of the Plan, means a person who is married to a Participant (or to a surviving Spouse) in accordance with the law of the jurisdiction in which the Spouse resides, except that a person who is a “common-law” Spouse is not a Spouse for purposes of the Plan. A person who is a Spouse will still be a Spouse even if the person is geographically or legally separated (but not yet divorced) from the person to whom he or she is married.

**Wespath**

Wespath (Wespath Benefits and Investments) administers the HealthFlex plan and other health, welfare and retirement benefits and investments. Wespath is a general agency of The United Methodist Church.

## GENERAL INFORMATION

### **Name and Address of the Plan Administrator**

Wespath Benefits and Investments  
1901 Chestnut Avenue  
Glenview, Illinois 60025  
1-847-869-4550  
1-800-851-2201

### **Name and Address of the Designated Agent for Service of Legal Process**

CT Corporation  
208 S. LaSalle Street  
Chicago, Illinois 60604  
1-800-475-1212

### **Name and Address of the Third-Party Claims Administrators for Medical Benefits**

Blue Cross and Blue Shield of Illinois  
300 E. Randolph Street  
Chicago, Illinois 60601  
1-866-804-0976

United Healthcare Insurance Company  
450 Columbus Boulevard  
Hartford, Connecticut 06115-0450  
1-800-901-1939

### **Name and Address of the Third-Party Administrator for Prescription Drug Benefits**

OptumRx  
2300 Main Street  
Irvine, California 92614  
1-855-239-8471

### **Name and Address of the Third-Party Administrator for Mental Health Benefits**

United Behavioral Health  
425 Market Street, 27th Floor  
San Francisco, California 94105  
1-800-788-5614

### **Name and Address of the Third-Party Administrator for Dental Benefits**

Connecticut General Life Insurance Company (CIGNA)  
1000 Corporate Center Drive, Suite 500  
Franklin, Tennessee 37067  
1-888-336-8258

### **Name and Address of the Third-Party Administrator for Vision Benefits**

Vision Service Plan Insurance Company (VSP)  
3333 Quality Drive  
Rancho Cordova, California 95670  
1-800-877-7195

### **Name and Address of the Third-Party Administrator for Flexible Spending Accounts Benefits**

WageWorks  
P.O. Box 1405  
Lexington, Kentucky 40512  
1-877-924-3967

**Internal Revenue Service Identification Number**

The corporate tax identification number assigned by the Internal Revenue Service to Wespath is **36-2166979**.

**Method of Funding Benefits**

Generally, health benefits are self-funded or self-insured from accumulated assets and are provided directly from Wespath. Wespath may purchase excess risk insurance coverage, often called stop-loss coverage, which is intended to Wespath for certain losses incurred and paid under the Plan by Wespath. Payments out of the Plan to health care Providers on behalf of Participants will be based on the provisions of the Plan.



**Wespath**

BENEFITS | INVESTMENTS

1901 Chestnut Avenue  
Glenview, Illinois 60025-1604  
1-800-851-2201  
wespath.org