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DISASTER MEDICAL ASSISTANCE TEAM (DMAT) LEAVE OF ABSENCE POLICY MODIFICATION

On, March 29, 2010, Alabama Governor Bob Riley signed into state law an amendment to Section 31-2-13, Code of Alabama 1975, relating to military leave of absence, to extend the benefit of a military leave of absence to members of the National Disaster Medical System (NDMS). The law became effective June 1, 2010. Effective this date, the University's policy has been revised to reflect these changes:

- If you are a regular employee of the University of South Alabama, and you are a member of a Disaster Medical Assistance Team (DMAT), upon activation, you are entitled to a military leave of absence for all days engaged in field or coast defense or other training or service ordered under the National Defense Act, the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, or of the federal laws governing the United States reserves.

- Members of the National Disaster Medical System shall be granted up to 168 hours of paid military leave per year if called to duty by the Governor.

- Except as noted above concerning military service covered by Alabama Code Section 31-2-13, et seq., after the first 168 hours of military leave per calendar year, any additional military leave will be without pay or may be charged to vacation or paid time off (PTO) at the discretion of the employee.

This modification in policy should be noted on page 68 of your Staff Employee Handbook for future reference.

TEACHERS' RETIREMENT SYSTEM 2011 RETIREMENT PREPARATION SEMINARS

Teachers' Retirement System of Alabama (TRS) will be conducting full day Retirement Preparation Seminars in 2011 for members who are within five (5) years of retirement. These seminars are conducted in the Student Center Ballroom on the Main Campus. Pre-registration is required in order to attend. Registration is on a first-come basis. No faxes or phone registrations are accepted. Registration forms will be available on the RSA website at www.rsa-al.gov or may be requested by calling TRS at 1-877-517-0020 after January 10, 2011.

Seminar dates for 2011
are as follows:

Wednesday, March 16, 2011
Thursday, March 17, 2011

Wednesday, September 21, 2011
Thursday, September 22, 2011

ANNUAL NOTICE CONCERNING FEDERAL LAWS AND ACTS AND POLICIES OF YOUR EMPLOYER-SPONSORED HEALTH PLAN

FOR CALENDAR YEAR 2011

WHAT YOU SHOULD KNOW

The University of South Alabama is pleased to provide its employees and their dependents with a quality health plan providing some of the best benefits at the lowest cost to employees in our area.

This newsletter provides important information about federal laws and acts that affect your coverage. It also includes information about the policies and procedures of your Plan. You should read this notice carefully and keep it with your important papers. This notice, along with your USA Health & Dental Plan Member Handbook, will assist you in understanding your rights under the Plan and your responsibilities to the Plan.

Privacy Notice

The USA Health & Dental Plan and its associates like Blue Cross Blue Shield of Alabama adhere to and comply with the Privacy Act. The Plan and its associates have adopted practices and procedures to protect the privacy of your medical information. The Plan's privacy policy in its entirety is available from the Human Resources department and is included in your Member Handbook. Blue Cross Blue Shield of Alabama also states its privacy policy on the company website (www.bcbsal.com).

Notice of the Plan's Opt-Out of Some Federal Regulations

The USA Health & Dental Plan has elected to opt-out of certain federal regulations including: the Health Insurance Portability & Accountability Act of 1996 (HIPAA) as amended by the Patient Protection and Affordable Care Act, the Newborns' and Mothers' Health Protection Act of 1996 (NMHPA), the Mental Health Parity Act of 1996 (MHPA), the Mental Health Parity and Addiction Equity Act of 2008, and Michelle's Law (2008). The Plan will comply with HIPAA provisions for pre-existing condition exclusion rules and discrimination rules based on health status as required by law and currently complies with the special enrollment rules.

Health Insurance Portability and Accountability Act (HIPAA):

Many of the provisions of HIPAA do not apply to the Plan, or the Plan is already in compliance with these provisions. For example, HIPAA requires a special enrollment period for employees who incur a change-in-status event concerning eligibility of family members. This benefit has always been offered under the Plan.

Current Employees who have already served the 270-day pre-existing conditions exclusion waiting period, as explained in your Member Handbook, will not be affected by the University's

decision to opt-out of HIPAA.

New employees and new dependents are required to serve the 270-day pre-existing conditions exclusion waiting period, as explained in your Member Handbook. Effective January 1, 2011, eligible members under the age 19 will not have the 270-day pre-existing conditions exclusion period. However, certificates of prior coverage from your previous insurance plan will not reduce the pre-existing condition exclusion waiting period for those individuals age 19 and over as required by the Plan.

Pre-existing conditions include pregnancy or any disease, disorder or ailment, congenital or otherwise, which existed on or before the effective date of coverage, whether or not it was manifested or known in any way, or any condition diagnosed or treated in the 12 months before the effective date of coverage. The determination of whether a medical condition is pre-existing is made by the claims administrator, Blue Cross Blue Shield of Alabama.

The pre-existing conditions limitation applies to each member, individually, to initial eligibility and to Open Enrollment. The pre-existing conditions exclusion does not apply to newborn or adopted children.

New employees and new dependents should give serious consideration to continuing the COBRA privilege granted under a previous employer's health plan if there are any concerns that a medical condition may be considered pre-existing under the terms of this Plan.

Departing employees or dependents no longer eligible will be provided a certification of coverage from Blue Cross Blue Shield of Alabama that can be submitted to possibly offset the waiting period for coverage of pre-existing conditions under a new health plan. Departing employees and dependents no longer eligible for coverage may be entitled to COBRA coverage.

Newborns' and Mothers' Health Protection Act:

The NMHPA establishes minimum inpatient hospital stays for newborns and mothers following delivery, based on medical necessity. The Plan has never imposed limitations regarding the length of an inpatient hospital stay following delivery. The Plan's decision to opt-out of NMHPA will have no effect on current or new employees.

Mental Health Parity Act of 1996:

The Mental Health Parity Act does not allow plans to establish financial limits on mental health treatment, but does allow plans to establish limits on the number of outpatient office visits, number of inpatient days allowed, coverage of prescription drugs to treat mental health conditions, or elimination of mental health treatment altogether. The USA Health & Dental Plan provides treatment for mental and nervous conditions as well as substance abuse, with specific limitations.

Mental Health Parity and Addiction Equity Act of 2008:

The MHPAEA expands MHPA by establishing parity requirements for mental health and substance use benefits offered by a group health plan. The USA Health & Dental Plan does not provide parity and has limits on certain services and a maximum dollar limit for mental and substance use treatment. These limits are explained in the USA Health & Dental Plan Member Handbook. You should read this handbook carefully to understand the benefits offered. You should consult with your medical provider and Blue Cross Blue Shield of Alabama to coordinate your care within the benefits offered by the Plan.

Michelle's Law (2008):

Michelle's Law provides that a group health plan may not terminate the coverage of a full-time student as a result of that individual ceasing to meet the definition of a full-time student due to medically necessary leave of absence. The USA Health & Dental Plan has opted-out of this law. The Plan does not allow coverage continuation for full-time students as a result of a medically necessary leave of absence except as provided by the COBRA continuation of coverage. These limits are explained in the USA Health & Dental Plan Member Handbook.

However, the Plan does comply with the Patient Protection and Affordable Care Act and effective January 1, 2011, extends coverage for a dependent child to age 26 years regardless of student status, residence, financial dependence or marital status if the individual is not eligible for other group health insurance through the individual's employer regardless of whether or not the individual enrolls in such coverage.

Women's Health & Cancer Rights Act:

The Plan complies with the Women's Health and Cancer Rights Act, providing the following benefit:

The USA Health & Dental Plan provides medical benefits for mastectomies for treatment of breast cancer including reconstructive surgery of the breast on which the mastectomy was performed, and of the other breast to produce a symmetrical appearance. It also provides prosthesis and coverage of physical complications resulting from all stages of the mastectomy, including lymphedema. Coverage of prosthesis includes initial placement of prosthesis and replacements as determined to be medically necessary. Coverage of prosthesis also includes the brassiere required to hold the prosthesis, limited to a Plan year maximum benefit of four (4) brassieres.

Notice of a Special Enrollment Period for a Change-In-Status Event

If you or any of your family members declined coverage under the Plan when first eligible for coverage (or during the annual Open Enrollment period), you may enroll in the Plan or enroll your eligible dependents when certain events cause a change-in-status event. Some change-in-status events result in termination of coverage for a dependent. To make an enrollment change due to a change-in-status event, you must contact the Human Resources department within 30-days (unless otherwise noted) of the event. Change-in-status events include:

1. A change in your marital status (marriage, divorce, legal separation or death of your spouse).
2. A change in the number of your dependents (birth or adoption of a child, death of a child, or obtaining legal custody of a child who permanently resides in your home and is not a foster child, or obtaining legal guardianship of a child because the child's parents are dead or have had their parental rights terminated by court action).
3. A change in your employment status (starting/ending employment, changing from part-time to full-time or vice versa, taking or returning from an approved leave).
4. A change in your spouse's employment status (starting/ending employment, changing from part-time to full-time or vice versa, a strike or lockout, or your spouse taking or returning from an unpaid leave or leave under the Family and Medical Leave Act or USERRA).
5. Exhaustion of your coverage period under a previous employer's COBRA continuation.
6. A significant change in the costs of or coverage provided by your spouse's employer-sponsored health plan.
7. A significant change in the costs of or coverage provided by this Plan.
8. A change in the eligibility status of a dependent child (child reaching the maximum age for coverage under the Plan or child becoming employed by an employer offering group health insurance regardless of whether or not coverage is elected).
9. An end to the disability of a disabled child enrolled as your dependent under the Plan.
10. A change in your residence or work site, or that of a spouse or dependent, which affects ability to access benefits under this or another employer-sponsored health plan.
11. A required change due to a court order.
12. You or your dependent becoming entitled to Medicare or Medicaid.
13. You or your dependent(s) loss of coverage under Medicaid or a State Children's Health Insurance Plan (SCHIP) because of loss of eligibility. Enrollment request must be made within 60 days of the termination of coverage.
14. You or your dependent(s) becomes eligible for the premium assistance under Medicaid or SCHIP. Enrollment requests must be made within 60 days of becoming eligible for the premium assistance.

Employees and/or their eligible dependents age 19 and over who enroll during the Special Enrollment Period for change-in-status events may have the pre-existing conditions exclusion waiting period waived in whole or in part, by receiving credit for the period of time the employee has been employed in a benefits-eligible position. Employees and/or their eligible dependents that enroll during the Open Enrollment period will be subject to the 270-day pre-existing conditions exclusion waiting period.

To make an enrollment change due to a change-in-status event, you must make application and provide written documentation within 30 days of the event.

Section 125 Premium Conversion Plan

The Section 125 Premium Conversion Plan allows you to pay your employee contribution for the Plan with pre-tax dollars through salary reduction rather than regular pay. The employee contribution is deducted from your paycheck before taxes are withheld. This allows you to increase your spendable income by reducing your taxes (your Social Security retirement benefit may be slightly reduced).

All eligible employees are automatically enrolled in the Section 125 Premium Conversion Plan. You may change your election for pre-tax premiums for the coming year during the Open Enrollment period held in November, or during the Plan year if you incur a change-in-status event.

Notice of Your Right to COBRA Continuation of Coverage under the Plan

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage. For additional information about your rights and obligations under the Plan and under federal law, you should review the Member Handbook or contact the Human Resources department or Blue Cross Blue Shield of Alabama for additional information.

Time limits exist on when a member may apply for the COBRA continuation of coverage. It is vital that you notify the Human Resources department when there is a COBRA qualifying event that may affect your coverage or that of your dependent, such as: 1) your hours of employment are reduced, 2) your employment ends for any reason, 3) your spouse dies, 4) your spouse's hours of employment are reduced, 5) your spouse's employment ends, 6) your spouse becomes entitled to Medicare benefits, 7) you become divorced or legally separated from your spouse, 8) the child's parent-employee dies, 9) the parent-employee's hours of employment are reduced, 10) the parent-employee's employment ends, 11) the parent-employee becomes entitled to Medicare

benefits, 12) the parents become divorced or legally separated, 13) the child stops being eligible for coverage under the Plan as an eligible dependent.

Important Notice

You should read the USA Health & Dental Plan Member Handbook and share it with your dependents. This booklet provides valuable information about your responsibility under the Plan, eligibility, benefits, and your rights as a participant including the right to appeal the denial of a benefit. If you do not have a copy of this booklet you should contact the Human Resources Department and one will be sent to you free of charge.

Contact the Human Resources Department

You may contact the University of South Alabama Human Resources department by calling one of the numbers listed below:

University of South Alabama Campus	(251) 460-6133
USA Medical Center	(251) 471-7325
USA Children's and Women's Hospital	(251) 415-1604

You may also contact the University of South Alabama Human Resources department at the following addresses:

Campus
650 Clinic Drive
TRP Building 3, Suite 2200
Mobile, AL 36688

USA Children's and Women's Hospital
1700 Center Street
Mobile, AL 36604

USA Medical Center
2451 Fillingim Street
Mobile, AL 36617

MEDICAID AND THE CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) OFFER FREE OR LOW-COST HEALTH COVERAGE TO CHILDREN AND FAMILIES

If you are eligible for coverage through the USA Health & Dental Plan but are unable to afford the premiums, some states such as Alabama and Florida have premium assistance programs that can help pay for coverage. These states use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage but need assistance in paying their health premiums.

If you or your dependents are already enrolled in Medicaid or CHIP, you can contact your state (the state where you are a registered resident) Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your state (the state where you are a registered resident) Medicaid or CHIP office or dial 1-877-KIDS NOW or www.insurekidsnow.gov to learn how to apply. If you qualify, you can ask the state if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer's health plan is required to permit you and your dependents to enroll in the plan – as long as you and your dependents are eligible, but not already enrolled in the employer's plan.

This is called a “special enrollment” opportunity, and you must request coverage within 60 days of being determined eligible for premium assistance.

To see if you live in a state that has a premium assistance program or for more information on special enrollment rights, please contact:

U.S. Department of Labor
Employee Benefits Security
Administration
www.dol.gov/ebsa
1-866-444-3272

U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
www.cms.hhs.gov
1-877-267-2323 ext 61565

Alabama Medicaid
www.medicaid.alabama.gov
1-800-362-1504

Florida Medicaid
www.fdhc.state.fl.us/Medicaid/index.shtml
1-866-762-2237



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