

# **East Boston Neighborhood Health Center**

## **SHARED FUNDING ARRANGEMENT**

Summary Plan Description and Plan Document

**Updated: January 1, 2022**

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### **Summary Plan Description and Plan Document**

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## SHARED FUNDING ARRANGEMENT

### Summary Plan Description and Plan Document

**Plan Year Date:** January 1, 2022 to December 31, 2022

#### I. OVERVIEW

This document contains important information concerning your employer funded Shared Funding Arrangement (the “SFA” or the “Plan”). Specifically noted are the following items:

- eligibility rules
- SFA utilization process
- what constitutes an eligible expense, and
- a summary of the laws that protect your rights

The funds in your SFA are provided by your Employer to pay for portions of your in-network deductible and specific copays. Below explains your employer’s SFA plan designs:

#### BCBSMA PPO OPTION

|                   | BCBSMA PPO Benefit                     | Member Responsibility (Embedded Ded)               | SFA Responsibility                                         |
|-------------------|----------------------------------------|----------------------------------------------------|------------------------------------------------------------|
| Deductible        | Individual: \$2,500<br>Family: \$5,000 | <b>First</b><br>Individual: \$375<br>Family: \$750 | <b>Remaining</b><br>Individual: \$2,125<br>Family: \$4,250 |
| Emergency Room    | \$250 copay                            | \$250 copay                                        | N/A                                                        |
| Inpatient Stay    | Deductible then;<br>20% coinsurance    | Deductible only                                    | Deductible then;<br>20% coinsurance                        |
| High Tech Imaging | Deductible then;<br>20% coinsurance    | Deductible only                                    | Deductible then;<br>20% coinsurance                        |
| Day Surgery       | Deductible then, \$250 copay           | Deductible, then \$250 copay                       | Deductible                                                 |
| Labs & X-Rays     | Deductible then;<br>20% coinsurance    | Deductible                                         | Deductible then;<br>20% coinsurance                        |

#### BCBSMA HMO OPTION

|                | BCBSMA HMO Benefit                     | Member Responsibility (Embedded Ded)               | SFA Responsibility                                         |
|----------------|----------------------------------------|----------------------------------------------------|------------------------------------------------------------|
| Deductible     | Individual: \$2,500<br>Family: \$5,000 | <b>First</b><br>Individual: \$250<br>Family: \$500 | <b>Remaining</b><br>Individual: \$2,250<br>Family: \$4,500 |
| Emergency Room | Deductible then; \$750 copay           | \$250 copay                                        | Deductible & \$500 copay                                   |
| Inpatient Stay | Deductible then; \$1,000 copay         | Deductible only                                    | Deductible & \$1,000 copay                                 |
| Day Surgery    | Deductible then; \$1,000 copay         | Deductible only                                    | Deductible & \$1,000 copay                                 |

|                   |                                |                             |                            |
|-------------------|--------------------------------|-----------------------------|----------------------------|
| High Tech Imaging | Deductible then; \$1,000 copay | Deductible only             | Deductible & \$1,000 copay |
| Labs & X-Rays     | Deductible then; \$25 copay    | Deductible then; \$25 copay | Deductible                 |

#### ALLWAYS HMO OPTION

|                   | AllWays HMO Benefit                    | Member Responsibility (Embedded Ded)               | SFA Responsibility                                         |
|-------------------|----------------------------------------|----------------------------------------------------|------------------------------------------------------------|
| Deductible        | Individual: \$2,500<br>Family: \$5,000 | <b>First</b><br>Individual: \$250<br>Family: \$500 | <b>Remaining</b><br>Individual: \$2,250<br>Family: \$4,500 |
| Emergency Room    | Deductible then; \$750 copay           | \$250 copay                                        | Deductible & \$500 copay                                   |
| Inpatient Stay    | Deductible then; \$1,000 copay         | Deductible only                                    | Deductible & \$1,000 copay                                 |
| Day Surgery       | Deductible then; \$1,000 copay         | Deductible only                                    | Deductible & \$1,000 copay                                 |
| High Tech Imaging | Deductible then; \$1,000 copay         | Deductible only                                    | Deductible & \$1,000 copay                                 |
| Labs & X-Rays     | Deductible then; \$25 copay            | Deductible then; \$25 copay                        | Deductible                                                 |

Services applied to your health plan out of pocket are stated in the health insurance carrier's Subscriber Agreement. Any other medical out-of-pocket expenses are your responsibility. London Health Administrators, Ltd. ("London Health") is not financially responsible for any medical expenses.

This document is not a contract between you and your employer. Your employer reserves the right to amend or terminate the plan at any time. Your employer has the full authority and discretion to interpret the plan.

## II. INTRODUCTION TO YOUR SHARED FUNDING ARRANGEMENT

Your employer has established an SFA for all eligible employees that are enrolled in the BCBSMA and Allways Health Plans. This SFA is an arrangement that:

- Consists of an employer's funding of an account to be used solely for the reimbursement of qualified medical expenses in IRS Code Section 213(d) amounts. [Note: No separate account is established for SFA funds – rather, your accrued balance is funded by your employer's general assets].
- Reimburses the covered employee for eligible in-network deductible and specific copays incurred by the employee or their tax dependents.
- Employees and their tax dependents may only receive reimbursement from the SFA for the period of time the participant is employed by the employer in an eligible employment classification.

Amounts available in your SFA are accessible through two methods: 1) present your health plan card at the point of service, or 2) submit bills to London Health. Also, your employer will only provide reimbursement for eligible expenses, as defined in Code Section 213(d), incurred by you and your eligible tax dependents. Upon employment termination (or loss of eligible status) all funds left in the SFA are forfeited. You will have 90 calendar days from the date of your

employment termination to submit paper claims incurred during your time as a covered participant.

The employers' contributions to an employee's SFA are made available on the first of each plan year for as long as this SFA is enforced. The SFA funds provided by the employer can be used to pay your in-network deductible and specific copay expenses incurred by you and your tax dependents during the twelve (12) month health plan policy year which is also currently January 1 through December 31. Any unused SFA funds do not rollover to the following plan year.

### **III. ELIGIBILITY**

All employees and their dependents enrolled in employer's BCBSMA and Allways Health Plans are eligible as of the employee's health plan effective date.

A dependent for purposes of this SFA is any individual who meets both of the following conditions:

- (i) the individual is a legal "spouse" (as determined in accordance with state law to the extent consistent with federal law) or
- (ii) a "dependent" as defined in Code Section 105(b).

In addition, this SFA may cover a child of yours (as defined by applicable state law) in accordance with a Qualified Medical Child Support Order ("QMCSO") to the extent the QMCSO does not require coverage not otherwise offered under this SFA. The Plan Administrator (or its designee) will notify you if a medical child support order has been received. The Plan Administrator will make a determination as to whether the order is a QMCSO in accordance with the Plan's QMCSO procedures and will notify both you and the affected child once a determination has been made.

### **IV. ELIGIBLE AND INELIGIBLE MEDICAL EXPENSES**

The funds in your SFA are provided by your Employer to pay for portions of your in-network deductible and specific copays. Below explains your employer's SFA plan design:

In order to constitute an "eligible medical expense", these expenses must be incurred by you or your covered dependents for "medical care" as defined in IRS Code Section 213(d) and must not have been reimbursed by another plan. Additionally, an SFA may only reimburse a medical care expense that is incurred after the date the SFA is in existence and after you have enrolled in a BCBSMA or Allways health plan.

**The following are a few examples of eligible medical expenditures that your SFA covers: (medical services must be in-network)**

- Inpatient hospitalization/surgery
- Outpatient hospitalization/surgery
- High Tech Imaging
- Lab & X-Rays
- Inpatient Mental Health
- Inpatient Chemical Dependency

For a complete list of services that apply to your health plan out of pocket expenses please refer to your Subscriber Agreement from BCBSMA or Allways.

Funds in the SFA are accessible to you by presenting your health plan card at the point of service, or by submitting claim forms to London Health.

The following is a summary of how reimbursement is accessed:

(a) *Health Plan Card:* At the point of service, first show your health plan card. The insurance carrier will then electronically submit your bill directly to London Health for payment. Please note, you should not pay at the point of service. If you are questioned about your payment, please ask the billing department to call London Health at 401-435-4700. When your bill is received, London Health will send a check for the eligible amount directly to the provider. London will send you notification if you owe a portion of the claim. If you do then that remaining claim amount is your financial responsibility.

(b) *Manual Claim Submission:* File a claim with London Health by sending your bill from the healthcare provider, health plan explanation of benefits (EOB), and claim reimbursement form. You must include the claim form with a written statement from an independent third party, (e.g. a receipt, EOB, etc.) associated with each expense that indicates the following:

- The nature of the expense (e.g. what type of service or treatment was provided). If the expense is for an over the counter drug, the written statement must indicate the name of the drug;
- The date the expense was incurred; and
- The amount of the expense.

London Health will process the claim and send a check for the eligible amount directly to the healthcare provider. London will send you notification if you owe a portion of the claim. If you do then that remaining claim amount is your financial responsibility.

Reimbursement for expenses that are determined to be eligible medical expenses will be made as soon as possible after receiving the claim and processing it. If the expense is determined to not be an “eligible medical expense” you will receive notification of this determination. You must submit all claims for reimbursement within one (1) calendar year from your date of service.

## **V. IF YOU ARE DENIED A BENEFIT**

If you are denied a benefit under the Plan, you should proceed in accordance with the following claims review procedures:

*Step 1: Notice is received from London Health.* If your claim is denied, you will receive written notice from London Health that your claim is denied as soon as reasonably possible, but no later than 30 days after receipt of the claim. For reasons beyond the control of London Health, they may take up to an additional 15 days to review your claim. You will be provided written notice of the need for additional time prior to the end of the 30-day period. If the reason for the additional time is that you need to provide additional information, you will have 45 days from the notice of the extension to obtain that information. The time period during which the London Health must make a decision will be suspended until the earlier of the date that you provide the information or the end of the 45-day period.

*Step 2: Review your notice carefully.* Once you have received your notice from London Health, review it carefully. The notice will contain:

- the reason(s) for the denial and the Plan provisions on which the denial is based;
- if London Health relied on an internal rule, guideline, protocol, or similar criteria in making its determination, either a copy of the specific rule, guideline, or protocol, or a statement that such a rule, guideline, protocol, or similar criterion was relied upon in making the determination will be provided upon request and free of charge.

- a description of any additional information necessary for you to perfect your claim, why the information is necessary, and your time limit for submitting the information;
- a description of the Plan's appeal procedures and the time limits applicable to such procedures; and
- a right to request all documentation relevant to your claim.

*Step 3: If you disagree with the decision, file an Appeal.* If you do not agree with the decision of London Health., you may file a written appeal. You should file your appeal no later than 180 days after receipt of the notice described in Step 1. You should file your appeal with London Health. You should submit all information identified in the notice of denial, as necessary, to perfect your claim and any additional information that you believe would support your claim.

*Step 4: Notice of Denial is received from Claims Reviewer.* If the claim is again denied, you will be notified in writing. London Health will send the notice no later than 30 days after receipt of the appeal.

*Step 5: Review your notice carefully.* You should take the same action that you took in Step 2 described above. The notice will contain the same type of information that is provided in the first notice of denial provided by London Health.

*Step 6: If you still disagree with London Health Administrator's decision, file a 2nd Level Appeal* - (if there is a second level of appeal as indicated in the notice of denial). If you still do not agree with London Health's decision, you may file a written appeal with your employer within 60 days after receiving the first level appeal denial notice from London Health. You should gather any additional information that is identified in the notice as necessary to perfect your claim and any other information that you believe would support your claim.

Other important information regarding your appeals:

- Each level of appeal will be independent from the previous level (i.e., the same person(s) or subordinates of the same person(s) involved in a prior level of appeal will not be involved in the appeal);
- On each level of appeal, the claims reviewer will review relevant information that you submit even if it is new information; and
- You cannot file suit in federal court until you have exhausted these appeals procedures.

## **VI. COORDINATION OF BENEFITS**

This Plan is intended to pay benefits solely for otherwise unreimbursed eligible in-network deductible and specific copay expenses. To the extent the otherwise eligible medical expense is payable or reimbursable from another source, the other source shall pay or reimburse prior to payment or reimbursement from this Plan to the extent permissible under applicable law. Medicare is the exception to this rule; Medicare must always be secondary payor for active employees and their dependents.

## **VII. GENERAL INFORMATION ABOUT THE SFA**

- The name of the SFA (also referred to herein as "the Plan") is Employer Shared Funding Arrangement.
- The Plan name is **East Boston Neighborhood Health Center Shared Funding Arrangement Plan**
- The Plan Year begins on **January 1** and ends **December 31**
- The provisions of this SFA become effective on the date at the top of Page 2.
- Plan Number: 502
- Employer EIN: **042940757**
- Name and address of Employer:

**East Boston Neighborhood Health Center  
10 Grove Street  
East Boston, MA 02128  
Office# 617-568-4480**

- Name, address, and phone number of SFA Contract Administrator:

**London Health Administrators  
40 Commercial Way  
East Providence, RI 02914  
Office# 800-343-2236  
Fax# 401-435-3937**

- The employer is the Plan Administrator.
- London Health Administrators is the SFA Contract Administrator.
- The Plan's designated agent for service of legal process is the SFA Contract Administrator. Any legal papers should be delivered to London Health Administrators, 40 Commercial Way, East Providence, RI 02914. However, service may also be made on the Plan Administrator.
- The employer is the SFA's Funding Party for service of legal process.

### **VIII. Plan Funding**

SFA plan benefits are paid from the general assets of the employer. Employees will not have a financial responsibility to fund Plan eligible expenses as long as the SFA is active. Nothing herein shall be construed to require the employer to maintain any fund or segregate any amount to fund the SFA for any participant, and no participant shall have any claim against, right to, or security or other interest in any fund, account or asset of the employer from which any payment under the Plan may be made. Also, any unused balances at the end of the plan year will not be returned to the employee.

Your employer's SFA Plan is defined as a Self-insured Contributory Plan as defined by Section 105-1(c). In accordance with this rule, the Plan may be paid by contributions from the Employer and/or its employees. Employee contributions are not to be treated as account contributions or funding direct medical services. The employee funding amounts are solely for the cost of the Plan.

### **IX. CERTIFICATE OF CREDITABLE COVERAGE**

London Health may provide you with a certificate of creditable coverage. To the extent required by federal law, the certificate may help you establish coverage under another group health plan.

### **X. CONTINUATION OF COVERAGE**

1. **COBRA:** Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under this arrangement will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") where coverage under the arrangement would otherwise end. A Participant whose eligibility ends due to a COBRA qualifying event may elect to pay a monthly premium for COBRA continuation of the coverage that was in effect on the date

prior to the qualifying event. Such coverage is available for the periods prescribed by COBRA, generally 18 months, subject to the conditions and limitations of COBRA. The employee pays a monthly premium and can continue to incur eligible expenses. Upon a COBRA qualifying event, the employee will receive a written COBRA notice including details about coverage, monthly premiums, and enrollment from the Employer's COBRA administrator. COBRA must be elected within sixty (60) days of losing eligibility.

2. **Military Service:** If you serve in the United States armed forces and must miss work as a result of such service, you may be eligible to continue to receive benefits with respect to any qualified military service.
3. **FMLA:** If you go on unpaid leave that qualifies as family leave under the Family and Medical Leave Act (FMLA) you may be able to continue receiving benefits.

## **XI. YOUR RIGHTS UNDER ERISA**

As a covered employee under the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Plan participants are entitled to:

1. Examine, without charge, at the Employer's office all Plan documents, including those filed by the Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions.
2. Obtain copies of all Plan documents and other Plan information upon written request to the Employer. The Employer may make a reasonable charge for the copies.
3. Receive a summary of the Plan's annual financial report. The Employer is required by law to furnish each participant with a copy of this summary financial report.
4. Continue health care coverage for yourself, spouse or dependents if there is a loss of coverage under the Plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this summary plan description and the documents governing the plan on the rules governing your COBRA continuation coverage rights.
5. Reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health benefit plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health benefit plan or health insurance issuer when you lose coverage under the Plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a pre-existing condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

In addition to creating rights for you and your dependents, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other covered employees and their dependents. No one, including your Employer, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

If your claim for a Medical Expense is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Claims Administrator and/or the Employer and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Employer to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Employer.

If you have a claim for benefits, which is denied or ignored in whole or part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Employer. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20220. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **XII. TAXATION**

The benefits you receive for the Plan are not taxable to you under federal tax law as long as funds are used for qualified healthcare expenses. However, your employer and London Health do not represent or guarantee that any particular federal, state or local income, payroll, personal property or other tax consequence will result from participation in this Plan. You should consult with your professional tax advisor to determine the tax consequences of your participation in this Plan.

## **XIII. NON-DISCRIMINATION**

The Plan may not discriminate in favor of highly compensated employees (within the meaning of IRS Code Section 105 (h)(5)) as to benefits provided or eligibility to participate with respect to the Shared Funding Arrangement.

## **XIV. HIPAA PRIVACY**

London Health and your employer understand that medical information about you and your health is personal. We are committed to protecting medical information about you. We create a record of the health care claims reimbursed under the Plan for Plan administration purposes. We are required by law to:

1. Make sure that medical information that identifies you is kept private;
2. Give you this Notice of legal duties and privacy practices with respect to medical information about you; and
3. Follow the terms of the notice that is currently in effect.

## **How We May Use and Disclose Medical Information About you**

The following categories list the different ways that we use and disclose medical information; for treatment (as described in applicable regulations), for payment (as described in applicable regulations) and for health care operations (as described in applicable regulations).

In addition, as required by law, we will disclose medical information about you when required to do so by Federal, State or local law or to avert a serious threat to health or safety. Other uses and disclosures of medical information not listed in this Notice or the laws that apply to us will be made only with your written permission.

If you would like more information on your SFA, call London Health Administrators, Ltd at 401-435-4700.