NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY
EMPLOYEE BENEFITS
RULES AND REGULATIONS SUMMARY

**ELIGIBLE EMPLOYEE**

You are eligible to participate in the New Mexico Public Schools Insurance Authority (NMPSIA) Employee Benefits Program if you are active at work and work the minimum qualifying number of hours. (In most cases, employees qualify for NMPSIA employee benefits because they work the minimum qualifying number of hours per week – 20 or more hours per week). If you are eligible, you may participate only in the lines of NMPSIA employee benefits coverage offered by your employer. If you work fewer than 20 hours per week but at least 15 hours per week you may also be eligible to participate if your employer has passed a resolution which has been approved by the NMPSIA Board of Directors.

If you work a minimum of 15 hours per week, you are eligible for basic life insurance coverage regardless if you participate or are eligible to participate in any other line of NMPSIA coverage. Your employer determines the rate of basic life insurance coverage for its eligible employees. If you are eligible for this basic life insurance coverage, it will be provided to you at no charge. This coverage goes into effect on the first day of the month following your hire date (first day of contact), provided that you are active at work.

In most cases, all other lines of NMPSIA coverage will become effective on the first day of the month following enrollment and the day premium is withheld and/or adjusted from your payroll check, provided that you are active at work. This effective date of coverage is determined by your employer.

**ELIGIBLE DEPENDENTS**

You may apply to enroll your eligible dependents (spouse and children) to your NMPSIA Group coverage if your dependents meet NMPSIA’s eligibility requirements. You will be required to present the original supportive documentation to your employer’s benefits office to prove that your dependents meet NMPSIA's eligibility requirements. A copy of the appropriate supportive documentation must accompany your application or change form (or be presented to your employer prior to your coverage going into effect), otherwise your dependents will experience a delayed effective date of coverage.

As a new hire, you are granted 61 days from the day your coverage goes into effect to provide the appropriate supportive documentation proving that your dependencies are eligible for NMPSIA coverage. In cases of changes in status, you are granted 61 days from the qualifying event to provide the appropriate supportive documentation. In either case, coverage for your dependents will go into effect the first day of the month following your employer’s receipt of the appropriate supportive documentation (provided you meet the 61-day timeline). The effective date of coverage for your dependents will not be made retroactive to your effective date of coverage (except for newborns and adopted children).

Coverage for a newborn begins on the newborn’s date of birth, provided that you are enrolled in NMPSIA family medical coverage. **If you are not enrolled in NMPSIA family medical coverage, the newborn will not be automatically covered from date of birth.** In such case, **you must enroll the newborn within 31 days from the date of birth.** If you miss this 31-day enrollment period, your newborn will fall under the late enrollment provisions of the NMPSIA Rules. (An adopted child’s coverage begins on the date of placement provided that you enroll your adopted child within 31 days from the date of placement.)

On the following page, you will find a list of dependents that are eligible to participate in your NMPSIA Group coverage. This list also specifies the supportive documentation required to prove your dependent’s eligibility.
<table>
<thead>
<tr>
<th>Eligible Dependent</th>
<th>Supportive Documentation Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>♦ Legal Spouse</td>
<td>Original official state publicly filed marriage certificate from the County Clerk’s Office or from the Bureau of Vital Statistics <em>(chapel certificate is not acceptable)</em></td>
</tr>
<tr>
<td>♦ Unmarried child under the age of 19 as follows:</td>
<td></td>
</tr>
<tr>
<td>♦ Natural child</td>
<td>Original official state publicly filed birth certificate from the Bureau of Vital Statistics <em>(hospital birth registration form is not acceptable)</em></td>
</tr>
<tr>
<td>♦ Stepchild living in the same household and primarily dependent on the eligible employee for maintenance and support</td>
<td>Evidence of placement by a state licensed agency, governmental agency, or a court order/decree <em>(notarized statement and power of attorney are not acceptable)</em></td>
</tr>
<tr>
<td>♦ Legally adopted child or a child for whom the eligible employee is the legal guardian and who is primarily dependent on the eligible employee for maintenance and support</td>
<td>Placement order and foster home licensure</td>
</tr>
<tr>
<td>♦ Foster child living in the same household as a result of placement by a state licensed placement agency, provided that the foster home is appropriately licensed</td>
<td>Medical child support order</td>
</tr>
<tr>
<td>♦ Dependent child with a qualified medical child support order</td>
<td></td>
</tr>
<tr>
<td>♦ Unmarried child, 19 years of age but under the age of 25, as follows:</td>
<td></td>
</tr>
<tr>
<td>♦ Full-time student at an elementary/secondary school that is accredited by a state board of education or its state equivalent</td>
<td>Official notice from the school required each semester <em>(signed by the principal, superintendent, or school office staff)</em> that verifies the student is enrolled full-time for the semester</td>
</tr>
<tr>
<td>♦ Full-time student at a post-secondary institution or graduate school that is regionally or nationally accredited by an agency that is recognized by the U.S. Department of Education and the Commission on Higher Education</td>
<td>An <strong>official notice from the institution required each term</strong> <em>(i.e., quarter, semester, or trimester)</em> that designates the following: 1) the name of the institution; 2) the name of the institution’s regional or national accrediting agency; 3) the term in which the student is enrolled; and 4) verification that the student is enrolled in a sufficient amount of contact hours to qualify as full-time as determined by the institution’s policy, or enrolled in and taking nine or more semester hours or its quarter or trimester equivalent contact hours in graduate school <em>(Once your child is certified as a full-time student for NMPSIA coverage, the NMPSIA Eligibility Administrator will send you a reminder notice)</em></td>
</tr>
</tbody>
</table>
to provide your employer with an updated full-time student verification. You are responsible for providing updated full-time student verifications each term even if you do not receive this reminder.)

♦ Unmarried child, 19 years of age and older, wholly dependent on the eligible employee for maintenance and support, who is incapable of self-sustaining employment because of mental or physical impairment (This eligibility rule does not extend to incapacitated dependents -- 19 years of age and older -- of newly hired or newly eligible employees.) Evidence of incapacity and dependency in the form of a physician statement indicating diagnosis and prognosis and application must be provided 31 days before the child reaches age 19 or within 31-days from the date the child becomes incapacitated while covered as a full-time student under the NMPSIA Group Plan (final determination is made by the medical carrier)

INELIGIBLE DEPEND

The following individuals are not eligible for NMPSIA Group coverage:

♦ Common law relationships of the same or opposite sex which are not recognized by New Mexico Law;
♦ Dependents while in active military service,
♦ Grandchildren left in the care of an eligible employee without evidence of legal guardianship; and
♦ Parents, aunts, uncles, brothers, sisters, or any other person not defined as an eligible dependent under NMPSIA Rules

ENROLLMENT REQUIREMENTS

You may choose to enroll in single coverage. If you choose to enroll one eligible dependent, you must enroll ALL eligible dependents unless one of the following applies:

1) the eligible dependent for which you are requesting to exclude from a particular line of NMPSIA coverage is covered for that particular line of coverage under another plan (individual, group, Medicaid, Medicare, Indian Health Services, etc.);
2) your enrollment is due to a special event defined under the Special Enrollments Provision; or
3) a divorce decree states that the ex-spouse is to provide a particular line of coverage for a dependent.

Supportive documentation in the form of a letter from the other plan or employer verifying other coverage is required when #1 applies. (A current insurance identification card is an acceptable form of supportive documentation if it lists the dependent's name and the type of his other coverage.)

Supportive documentation as determined by NMPSIA is required when #2 or #3 apply (i.e., evidence of loss of coverage, original official state publicly filed birth certificate or marriage license, divorce decree, etc.).
If both you and your spouse are employed with a NMPSIA participating school district or entity, you will not be permitted to double cover each other or your eligible dependents under the NMPSIA Group Plan.

**DEADLINES FOR EMPLOYEE AND DEPENDENT ENROLLMENT**

You may apply to enroll yourself and your eligible dependents for NMPSIA employee benefits within 31 days from your date of hire (first day of contract) or within 31 days from a qualifying event that changes your status. If you are an active board member, enrollment is required within 31 days from the date you are sworn into office.

If you miss the 31-day enrollment period, the following late enrollment provisions will apply:

- **Medical/Prescription Coverage**—You may apply late for medical/prescription coverage (for yourself and your eligible dependents) to the non-HMO medical insurance plan. In applying late for this coverage, you will be considered as "late enrollee" under the late enrollment provisions of the NMPSIA Rules. As a late enrollee, you will be subjected to an 18 months preexisting conditions limitation period. You may provide a certificate of coverage from your (or your dependent's) former employer or prior medical plan to reduce or eliminate this preexisting conditions limitation period (provided that there has not been a 63-day lapse of medical coverage). NMPSIA's non-HMO medical insurance plan will review your certificate of coverage and make a final determination about your preexisting conditions limitation period.

- **Dental Coverage**
  You may not apply late to this plan. Late enrollment is not permitted for NMPSIA dental coverage.

- **Vision Coverage**
  You may not apply late to this Plan. Late enrollment is not permitted for NMPSIA vision coverage. *(The Vision Plan requires that if you enroll you must stay in the plan – pay premiums for a minimum of two years.)*

- **Long-Term Disability Coverage** and/or
- **Voluntary Life Coverage**
  You may apply late to either of these plans, but you will be subjected to medical underwriting. The insurance carrier will review your health statement, medical records, etc., to make a final decision on your application. *(This process may also be indicated if you are enrolled in NMPSIA voluntary life coverage and wish to upgrade this coverage.*) You may be charged a fee for costs associated with retrieving your medical records.

**CHANGE OF STATUS**

If you (or in some cases, your dependents) have a change of status due to the following qualifying events, you must report this change in status to your employer's benefits office within 31-days from the qualifying event:

**Qualifying Events:**

- Birth
- Death
- Divorce or Annulment *(not a legal separation)*
- Marriage
- Adoption of a child or child placement order in anticipation of adoption
- Full-time student status
- Loss of full-time student status
- Incapacity of a child
- Legal guardianship of a child
- Promotion with a salary increase, or employment status change from a part-time position to a full-time position with a salary increase (provided you are fulfilling the active-at-work requirement and meeting the minimum number of hours worked)
- Loss of employment (including retirement)
- Loss of group or individual coverage through no fault of the person having the group or individual insurance coverage (includes loss of medical insurance, dental insurance, vision insurance, Medicaid, exhaustion of COBRA etc.)

Special Enrollments:

Special enrollments mandated by state and federal laws permit you to enroll in medical coverage (Non-HMO Plan or HMO Plan) within 31 days from the occurrence of a special event. The late enrollment provisions will not apply to special enrollments provided you meet this 31-day timeline. Special enrollments are for the purpose of applying for only medical coverage; no other line of NMPSLA employee benefits coverage is available under the special enrollment provision. Further, employees may be selective in enrolling dependents.

If you meet eligibility requirements and are not enrolled in the NMPSIA Medical Plan, you may enroll yourself and any of your eligible dependents for NMPSIA medical coverage within 31 days from the occurrence of the following special events:

- You suffer a loss of coverage because coverage of your spouse or child under another plan is terminated as a result of divorce, death, termination of employment, reduction in hours, legal separation, or termination of employer contributions
- You become married
- A child is born to you or your spouse
- You adopt a child or a child is placed for adoption in your family

If you are enrolled in the NMPSIA Medical Plan, you may enroll your eligible dependents for NMPSIA medical coverage within 31 days from the occurrence of the following:

- Your spouse or child suffers a loss of coverage
- You become married
- A child is born to your or your spouse
- You adopt a child or a child is placed for adoption in your family

A change of status due to a qualifying event or a special event will only be recorded by the insurance carrier(s) when you complete the appropriate application and provide supportive documentation to your employer’s benefits office within 31 days from the date of the qualifying event or the special event. If you do not make application for coverage within these 31 days, the late enrollment provisions of the NMPSIA Rules will apply.

Further, if you do not report a change of status that causes your spouse or dependent child to become ineligible either within 60 days from the qualifying event or within 60 days from the day coverage would end, your spouse or dependent child will not be eligible for COBRA continuation coverage. When a spouse or children become ineligible, coverage under the NMPSIA Group Plan ends for them on the last day of the month that they become ineligible. (Even though you have 60 days to report this change as it pertains to COBRA continuation coverage, NMPSIA Rules require that you report this change of status within 31-days from the qualifying event. This alerts NMPSIA to notify the carriers about your
dependent's ineligibility to avoid unnecessary claim payments. This also allows your employer to make the necessary premium adjustments, if any, to your payroll check.)

Example #1: You divorce on July 12th; this causes your ex-spouse to become ineligible; immediately visit your employee benefits office to drop your ex-spouse from the NMPSIA Group Plan (provide this office with a copy of your divorce decree and a "signed" record change card); coverage for your ex-spouse ends July 31st; your ex-spouse may apply for COBRA continuation coverage provided that you report this change of status within the timeframe listed above. (REMINDER: Review your beneficiary designation and make any changes you wish.)

Example #2: Your 20 year old child is certified as a full-time student and is covered under your NMPSIA Group Plan; your child marries on August 25th; this causes your child to become ineligible and NMPSIA Group coverage will end for your child on August 31st; your child may apply for COBRA continuation coverage provided that you report this change of status within the timeframe listed above.

When you are electing NMPSIA Group coverage, you will be required to sign the appropriate application. In the event of a dependent enrollment, your employer's benefits office is required to view the original state publicly filed supportive documentation you have presented. Copies of these documents are then forwarded to the NMPSIA Eligibility Administrator. Without the appropriate supportive documentation, your dependent’s effective date of coverage will be delayed. If supportive documentation is not provided by the established deadline, your dependent will fall under the provisions for late enrollment.

**ADDRESS AND PHONE NUMBER CHANGES**

You must report address and phone number changes directly to your employer’s benefits office on the appropriate form. Your employer will route these changes to the NMPSIA Eligibility Administrator. This Administrator will report these changes to each insurance carrier affiliated with your NMPSIA coverage. The carriers will not make these changes unless changes are routed to them from the NMPSIA Eligibility Administrator.

**BENEFICIARY CHANGES**

At any time and as often as you wish, you may change your beneficiary for your basic life insurance coverage and/or for your voluntary life insurance coverage. The process involved to do this is simple. Contact your employer's benefits office for a 'Beneficiary Designation Form.' Once your employer’s benefits office receives your completed and signed form, the form will be forwarded to the NMPSIA Eligibility Administrator. When a life claim is filed, the insurance carrier contacts the NMPSIA Eligibility Administrator to verify the latest beneficiary information in your membership file. (Be sure to designate a beneficiary for your basic life insurance coverage even if you decline or are not eligible to participate in another line of NMPSIA coverage.)

**TERMINATION OF COVERAGE EFFECTIVE DATES**

Coverage terminates for NMPSIA Group participants as follows:

- **Employees** - Coverage terminates at the end of the period for which deductions are made from your payroll check. This termination date is determined by your employer.
- **Active Board Members** - Coverage terminates on the last day of the month in which the board member’s term expires.
- **Dependents (spouse and dependent child)** - Coverage terminates on the last day of the month in which the eligible dependent becomes ineligible (i.e., coverage for an ex-spouse terminates on
the last day of the month in which the divorce becomes final, coverage for a dependent child ends on the last day of the month in which the child marries; etc.)

- **Dependent Child Losing Full-Time Student Status** - For full-time students enrolled in the spring semester, NMPSIA certifies the full-time student for NMPSIA coverage through October 31st. For full-time students enrolled in the fall semester, NMPSIA certifies the student for NMPSIA coverage through the last day of February. Coverage for a student who does not reenroll the following semester will end on the dates listed above unless the employee submits a change card to earlier terminate the dependent child from coverage.

If your dependent child reenrolls as a full-time student and meets all other eligibility requirements under the NMPSIA Rules, you must apply to reenroll your child within 31 days from the day your child again becomes a full-time student. **If you miss this 31-day enrollment period, your child will be considered to be a late enrollee,** and the late enrollee provisions of the NMPSIA Rules will apply. In a case where your child was enrolled for the previous semester as full-time and you neglected to enroll or maintain NMPSIA Group coverage for your child (i.e., you did not provide the appropriate full-time student verification; you did not provide your child's official state publicly filed birth certificate, etc.), your child will also be considered a late enrollee. Late enrollees are not eligible to reenroll to the NMPSIA dental or vision plans nor the HMO medical plan. You may reenroll your child to the dependent child voluntary life coverage if the insurance carrier approves this coverage for your child through the medical underwriting process.

**INSURANCE FRAUD (Federal and State Insurance Laws will Apply)** -- Under NMPSIA Rules and Regulations, anyone who knowingly or willfully makes any false or fraudulent statement or representation shall forfeit all employee and dependent rights to coverage or benefits. In the event of prohibited actions by an official or employee of a participating school district or other educational entity, the employer shall take the appropriate disciplinary action against the offending official or employee. If such appropriate disciplinary action is not so taken, NMPSIA reserves the right to terminate coverage for the participating school district or other educational entity.

If you have any questions about the NMPSIA Eligibility Rules, contact your employer's benefits office or the NMPSIA Eligibility Administrator at 1-800-233-3164.

*Revised August 1999*