

SUMMARY OF MATERIAL MODIFICATIONS No. 3

This modification is made by the **City of Rapid City** to the **City of Rapid City Medical and Dental Plans**. All other terms and provisions of the Plan remain unaltered and in effect.

Distribution of the attached amendment will be handled in the following manner:

- _____ The Plan Administrator will be responsible for distribution.
- _____ First Administrators, Inc. will provide a formal copy of the amendment to the Plan Administrator for distribution.
- _____ First Administrators, Inc. will provide the Plan Administrator with _____ copies of the amendment for distribution.
- _____ Other: _____

Effective **October 28th, 2009**, the following **replaces** the **“Covered Servicemember”** definition in the **“Definitions”** section within the current Summary Plan Description.

COVERED SERVICEMEMBER

The term “Covered Servicemember” means a member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness. Also included is a veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.”

Effective **December 19, 2009**, the following **replaces** the **“second paragraph”** to the **“Cost of COBRA Coverage”** section found in the **“Continuation of Coverage Under Federal Law – COBRA”** section within the Summary Plan Description.

Temporary Premium Reduction

The federal stimulus package, which was enacted as the American Recovery and Reinvestment Act of 2009 (ARRA) and extended by the Fiscal Year 2010 Department of Defense Appropriations Act (2010 DOD Act) temporarily reduces the premium for COBRA coverage for eligible individuals. COBRA (the Consolidated Omnibus Budget Reconciliation Act of 1985) allows certain people to extend employer-provided group health coverage, if they would otherwise lose the coverage due to certain qualifying events.

In accordance with ARRA and related extension(s), individuals who are eligible for and who elect COBRA coverage due to their own or a family member's involuntary termination from employment may qualify for a reduced premium. This premium reduction is generally available for continuation coverage under the Federal COBRA provisions, as well as for group health insurance coverage under state continuation coverage laws.

Special rules apply for HIPAA's pre-existing condition rules during this extended election period. The period beginning on the date of the qualifying event and ending on the beginning of the period of coverage is disregarded for purposes of the 63-day break in creditable coverage rules of HIPAA.

If an individual was offered Federal COBRA continuation coverage as a result of an involuntary termination of employment that occurred at any time during the specified time period, and he or she declined COBRA coverage at that time or elected COBRA and later discontinued it, he or she may have another opportunity to elect COBRA coverage and qualify for a reduced premium.

For questions regarding the participants rights and obligations as well as time periods applicable to this Legislation, please contact the Plan Administrator.

SUMMARY OF MATERIAL MODIFICATIONS No. 3

Effective **July 1, 2010**, the following **replaces** the “**Mental Health Services, Drug Dependency or Alcoholism**” benefit in the “**Schedule of Benefits**” within the Summary Plan Description.

MEDICAL BENEFITS	PATIENT LIABILITY		GENERAL PLAN LIMITS
	IN NETWORK	OUT OF NETWORK	
Mental Health/Chemical Dependency - Inpatient - Outpatient - Office	70% 70% **	60% 60% **	Includes alcoholism, biologically based mental illness and residential treatment. ** See Office Visits Co-pay.

Effective **July 1, 2010**, the following **replaces** the “**S5.28 Mental Health Services, Drug Dependency or Alcoholism Benefit**” within the Summary Plan Description.

S5.28 MENTAL HEALTH AND CHEMICAL DEPENDENCY

This Plan provides benefits for the following mental health and chemical dependency related services. Benefits are subject to the limits shown on the Schedule of Benefits.

Hospital Inpatient Benefits

Benefits include daily room and board charges up to the hospital's room rate. Unless otherwise excluded, this Plan will provide benefits for hospital miscellaneous charges such as therapy and supplies incurred during the time room and board benefits are payable.

Outpatient and Physician Office Benefits

Unless otherwise excluded, this Plan will provide benefits for medically necessary services including partial hospitalization and therapy and supplies provided in an outpatient or office setting.

Partial Hospitalization Benefits

Partial hospitalization is a non-residential day or evening treatment program that may be hospital-based or free-standing. The program provides clinical diagnostic and treatment services at a level of intensity equal to an inpatient program, but on a less than twenty-four hour basis.

Residential Benefits

Residential benefits include inpatient treatment for mental health and/or chemical dependency disorders. This benefit will pay for the daily room and board charges subject to the limits of this Plan. Unless otherwise excluded, this Plan will provide benefits for miscellaneous charges such as therapy and supplies incurred during the time room and board benefits are payable. Confinement in a residential treatment facility must be recommended by and under the supervision of a physician.

Effective **July 1, 2010**, the following is **added** to “**Dependent**” in the “**Definitions**” section within the Summary Plan Description.

Michelle's Law: Coverage of Dependent Students on Medically Necessary Leave of Absence

In the case of an eligible dependent child, this Plan shall not terminate coverage due to a medically necessary leave of absence from, or any other change in enrollment at, a post-secondary education institution that commences while such dependent child is suffering from a serious illness or injury that causes such dependent child to lose student status for purposes of coverage under this Plan, before the earlier of:

- (a) up to one year after the beginning of the leave of absence; or
- (b) the date coverage would otherwise terminate under the Plan.

SUMMARY OF MATERIAL MODIFICATIONS No. 3

For the student to qualify for this extension, the Plan must receive written certification from his/her treating physician stating that the student is suffering from a serious illness or injury and that the leave of absence is medically necessary.

A student will qualify for a medically necessary leave of absence from a post-secondary educational institution if the leave of absence:

- (a) begins while the child is suffering from a serious illness or injury;
- (b) is certified by a physician as being medically necessary; and
- (c) causes the child to lose student status for purposes of coverage under the Plan.

If the dependent child's treating physician does not provide written documentation that the child is suffering from a serious illness or injury and that the leave of absence is medically necessary, this Plan will not provide continued coverage.

Effective **July 1, 2010**, the following "**Mental Health Disorders**" is added to the "**Definitions**" section within the Summary Plan Description.

MENTAL HEALTH DISORDERS

The term Mental Health Disorder means any disorder classified in the *Diagnostic and Statistical Manual of Mental Disorders, Third Edition-Revised* (DSM-IV-R), or subsequent revisions to DSM-IV-R, and includes behavioral or psychological conditions not attributable to a mental disorder that are the focus of professional attention or treatment, but only to the extent services for such conditions are otherwise considered to be benefits under this Plan.

CITY OF RAPID CITY

(Authorized Signature)

(Date)

(Printed Authorized Signature)

(Title)