

SUMMARY OF MATERIAL MODIFICATIONS No. 14

This modification is made as of **January 1, 2011**, by **Cornell College** to the **Cornell College Employee Health Care Plan**. 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: _____

The following is **added** to the **"Introduction"** in the current Summary Plan Description.

Grandfathered Health Plan Disclosure

This group health plan believes this plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on essential benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Plan Administrator. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

The following **replaces** the **first paragraph** of **"Introduction"** in the current Summary Plan Description.

This Plan is designed to cover a participant's various health care expenses. This is a self-funded Plan of benefits which provides coverage for the health care needs of each covered person as specified in the **Benefit Summary**.

The following text **replaces** the 2nd and 3rd paragraphs in the **"Dependent Eligibility"** section of the **"Coverage and Eligibility"** section within in the Summary Plan Description.

A covered employee's dependent children may be covered through the age of 25.

The following text **replaces** the **"Adopted Child"** section of the **"Coverage and Eligibility"** section within in the Summary Plan Description.

The term "dependent" found in this Plan shall include any child meeting the dependent eligibility requirements of this Plan who, prior to age 18, has been placed for adoption or who has been adopted by the participant.

Such a child shall be eligible for coverage as of the date of placement for adoption, or as of the date of actual adoption, whichever occurs first.

Coverage under this Plan for the adopted child shall be the same coverage which is available to all other dependent children under this Plan except that all additional waiting periods will be waived for such a child

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provided the child is enrolled within the time periods specified under the section entitled **Dependent Enrollment and Effective Date**.

The following text **replaces** the 1st paragraph in "**Dependent Children With Disabilities**" section of the "**Coverage and Eligibility**" section within in the Summary Plan Description.

Coverage of a dependent child shall not cease because of attainment of the termination age specified in this Plan, while the employee's coverage is in force, if the child:

- (a) is unmarried;
- (b) is incapable of self-sustaining employment by reason of a handicapping mental or physical disability; and
- (c) became so disabled prior to attainment of the termination age specified in this Plan.

The following text **removes** (g) in "**Employee Termination of Coverage**", **replaces** (a) and **removes** (c), (h) and (j) in "**Dependent Termination of Coverage**" section of the "**Coverage and Eligibility**" section within in the Summary Plan Description.

- ~~(g) the date the covered employee receives the lifetime maximum benefit, as specified by this Plan; or~~
- (a) the last day of the month in which the employee's coverage terminates for any reason;
- ~~(c) the last day of the month 90 days following graduation from high school or college (undergraduate or graduate programs);~~
- ~~(h) the date the covered dependent receives the maximum lifetime benefit, as specified by this Plan;~~
- ~~(j) the first day of the next regular term if a dependent is a full-time student during one term with plans to return to school for the next term, but fails to do so.~~

The following text is **removed** from the 2nd and 4th paragraphs in "**Dependent Termination of Coverage**" section of the "**Coverage and Eligibility**" section within in the Summary Plan Description.

~~If the covered dependent student is unable to attend school full-time because of sickness or accidental injury, coverage will continue until the first day of the next regular term.~~

~~In the event a dependent again meets the requirements of a dependent as defined under the Plan (i.e., regains full-time student status), coverage will be effective on the date he/she becomes eligible provided application is made within 31 days of the event.~~

The following "**Michelle's Law**" is **removed** from the "**Dependent Eligibility**" section of the current 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:~~

- ~~• up to one year after the beginning of the leave of absence; or~~
- ~~• the date coverage would otherwise terminate under the Plan.~~

~~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:~~

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- ~~1. begins while the child is suffering from a serious illness or injury;~~
- ~~2. is certified by a physician as being medically necessary; and~~
- ~~3. 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.~~

The following text **replaces** the "**Open Enrollment Period**" section of the "**Coverage and Eligibility**" section within in the Summary Plan Description.

Cornell College will offer an annual enrollment period during which an employee may elect to participate in the Plan. Any otherwise eligible employee who has previously waived coverage may elect to participate in the Plan, provided he/she applies during this enrollment period. All new participants, age 19 and older, added during the enrollment periods are subject to a 12-month pre-existing condition exclusion period. The enrollment period will be held annually with a January 1 effective date.

The following **replaces** the **first paragraph** and **removes** the **ninth paragraph** of "**Pre-Existing Condition Exclusion Period**" in the current Summary Plan Description.

This Plan includes an exclusion period for new participants with pre-existing (not otherwise excludable) medical conditions. A pre-existing medical condition is an injury or illness which was present prior to the participant's date of enrollment (see definition) for which any medical advice, diagnosis, care or treatment (including having a prescription for legend drugs, whether or not the drugs are taken) was provided or recommended by a physician prior to the participant's date of enrollment. Genetic information is not treated as a pre-existing condition in the absence of a diagnosis of a condition related to the genetic information. This pre-existing condition exclusion period will not be applied to any participant or dependent under age 19 and never applies to pregnancy, regardless of whether the woman had previous coverage.

~~The pre-existing condition exclusion period never applies to pregnancy, regardless of whether the woman had previous coverage. In addition, a pre-existing condition exclusion period will not be applied to a newborn, an adopted child who is under age 18 at the time of the adoption, or a child placed for adoption who is under age 18 at the time of placement for adoption, if the child becomes covered under a group health plan or other creditable coverage within 30 days of the birth, adoption, or placement for adoption. This exception does not apply, however, after the child has a break in coverage of 63 or more consecutive days.~~

The following text is **removed** in the "**Cost of COBRA Coverage**" section found in the "**Continuation of Coverage Under Federal Law – COBRA**" section in the Summary Plan Description.

Temporary Premium Reduction

~~The federal stimulus package, which was enacted as the American Recovery and Reinvestment Act of 2009 (ARRA) 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.~~

~~Individuals who are eligible for COBRA coverage because of their own or a family member's involuntary termination from employment that occurred from September 1, 2008 through December 31, 2009 and who elect COBRA, may be eligible to pay a reduced premium. Eligible individuals pay only 35 percent of the full COBRA premiums under their plans for up to nine months. 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.~~

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~~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 from September 1, 2008 through February 16, 2009, 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 pay a reduced premium.~~

~~For questions regarding the participants rights and obligations under this Plan, contact the Plan Administrator.~~

The following "**Fraud or Misrepresentation of Material Facts**" is **added** at the end of the "**Coverage and Eligibility**" section of the current Summary Plan Description.

FRAUD OR MISREPRESENTATION OF MATERIAL FACTS

Coverage will terminate immediately if a participant uses this Plan fraudulently or fraudulently misrepresents a material fact in his/her application.

If coverage is terminated for fraud or misrepresentation of a material fact, the Plan has the right to recover any/all claim payments and retains the right to pursue any/all other legal rights, including the right to bring a civil action.

The following is **removed** from "**How the Medical Plan Works**" in the current Summary Plan Description.

Lifetime Maximum

~~All allowable medical expenses under this Plan are limited to an overall lifetime maximum benefit for each participant as specified in the **Benefit Summary**. This lifetime maximum applies across all plans or options sponsored by the employer for all eligible expenses.~~

~~The lifetime maximum benefits paid under any predecessor plan(s), this Plan, and any subsequent plan(s) will be as specified in the **Benefit Summary**.~~

~~Once a participant has met the lifetime maximum, he/she will be terminated under the Plan and any subsequent changes to benefit levels (including changes to the lifetime maximum) will not affect the termination status of the participant. Future Plan open or special-enrollment events will not affect the termination status of a participant that was previously terminated for achieving the lifetime maximum.~~

~~In addition, this Plan may contain other calendar year or lifetime benefit maximums. These maximums are included in the overall medical lifetime maximum benefit.~~

The following **replaces "Child(ren)", "Dependent" and "Stepchild", removes "Full-Time Student" and "Maximum Lifetime Benefit" and adds "Legal Guardian" in "Definitions"** in the current Summary Plan Description.

"CHILD(REN)" means child(ren) of a covered employee including natural children, adopted children, stepchildren and children for whom the employee has legal guardianship.

"DEPENDENT" means any one or more of the following:

- (a) The spouse of an employee; or
- (b) Children of an employee.

"FULL-TIME STUDENT" means a covered dependent who meets the age requirements of this Plan and is enrolled in a full-time (as defined by the institution they are attending) course of study in an accredited institution of higher learning.

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"LEGAL GUARDIAN" means a person recognized by a court of law as having the duty of taking care of the person and managing the property and rights of such individual.

~~**"MAXIMUM LIFETIME BENEFIT"** means the highest dollar amount of allowable expenses that could be paid to or on behalf of any participant during the participant's lifetime, subject to the terms of this Plan.~~

"STEPCHILD" means any biological or adopted child of the spouse of an employee.

The following item **replaces** **"Emergency Room Services"** in the **"Benefit Summary"** section in the Summary Plan Description.

| MEDICAL BENEFITS | PPO PAYS | NON-PPO PAYS | GENERAL PLAN LIMITS |
|-------------------------|------------------------|------------------------|---|
| Emergency Room Services | \$100 Co-Pay then 100% | \$100 Co-Pay then 100% | Includes facility and physician charges. Co-pay does not apply to deductible and out-of-pocket maximums. Co-pay is waived if the participant is admitted to the hospital. Deductible waived. |

The following item is **removed** from **"PPO NOTES"** section in the **"Benefit Summary"** section in the Summary Plan Description.

6. ~~Non-PPO Emergency room physician charges will be considered at the PPO benefit level when services are provided in a PPO facility.~~

The following item **removed** from the **"Benefit Summary"** section in the Summary Plan Description.

| MEDICAL PLAN'S MAXIMUM LIABILITY | |
|-----------------------------------|-------------|
| Lifetime Medical Maximum Benefits | \$2,000,000 |

The following text **replaces** the **"Preventive Care"** benefit in the **"Benefit Summary"** section within in the Summary Plan Description.

| MEDICAL BENEFITS | PPO PAYS | NON-PPO PAYS | GENERAL PLAN LIMITS |
|----------------------------------|----------|--------------|--|
| Preventive Care | 100% | No Coverage | Age 2 and older. Calendar year deductible and PPO Office Services Co-pay are waived. Newborn to age 2 – see <i>Well-Baby/Well-Child Care</i> . Includes the following routine services: <ul style="list-style-type: none"> -physical examinations -x-rays and labs -hearing exams -immunizations (including flu shots) -services for screening of "family history of" conditions Note: Human Papillomavirus (HPV) Vaccine will be paid under the Human Papillomavirus (HPV) Vaccine Benefit. |
| - Shingles and Hepatitis Vaccine | 100% | 100% | Deductible and PPO Office Services Co-pay are waived. |

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The following text **replaces** the “**Diabetic Self-Management Education Programs/Outpatient**” and “**Well-Baby/Well-Child Care**” benefits in the “**Benefit Summary**” section within in the Summary Plan Description.

| MEDICAL BENEFITS | PPO PAYS | NON-PPO PAYS | GENERAL PLAN LIMITS | PAGE |
|---|-----------|--------------|--|------|
| Diabetic Self-Management Education Programs - Outpatient - Office | 80% ** | 60% 60% | **PPO Office services are subject to the PPO Office Services Co-pay provision. | |
| Well-Baby/Well-Child Care (up to age 2) | 100% | No Coverage | Includes routine exams and routine labs/x-rays. Deductible and PPO Office Service Co-pay waived. Additional immunization benefit available – see <i>Immunizations</i> . | |

The following bullet #43 is **removed** from the “**Medical Exclusions**” section within in the Summary Plan Description.

~~(43) nicotine transdermal systems, and any other nicotine-containing smoking deterrent or smoking cessation product, whether or not they require a physician’s prescription;~~

The following text is **added** to the “**Other Covered Medical Care**” section within in the Summary Plan Description.

Care and treatment for smoking cessation. The smoking cessation drugs are covered through the Rx benefit.

Cornell College

Karen L. Mercer
(Authorized Signature)

1-17-2011
(Date)

Karen L. Mercer
(Printed Authorized Signature)

VP for Business Affairs.
(Title)