

**NORTH EAST INDEPENDENT
SCHOOL DISTRICT**

**HOSPITAL
INDEMNITY
BENEFIT**



Risk Management and Employee Benefits
8961 Tesoro Drive, Suite 209
San Antonio, Texas 78209
Phone: (210) 407-0187
Fax: (210) 804-7014
www.neisd.net/risk

Employee Benefits Office
8961 Tesoro Drive, Suite 209
San Antonio, Texas 78217
(210) 407-0187
www.neisd.net/risk

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PROCEDURE FOR PAYMENT (continued)

The Employee Benefits Office will verify eligibility in accordance with NEISD policy. Employee Benefits will verify the hospitalization and the number of days the hospital billed for room and board. After the number of days to be paid is verified and approved, the Request for Benefits Form is sent to the Payroll department. Hospital Indemnity Benefit payments are included in the employee's paycheck on the regular payroll schedule. Please allow four (4) weeks for processing.

YOUR BENEFITS ARE TAXABLE

The Hospital Indemnity Benefit is not considered a medical plan. Therefore, the Hospital Benefit payments you receive are subject to tax under the FICA and federal income tax provisions in accordance with federal income tax laws.

LIMITATIONS AND EXCLUSIONS

The Hospital Indemnity Benefit will not apply to any hospitalization related to:

- An occupational illness or injury
- A hospital admission for medically indicated diagnostic or evaluation procedures, unless the tests could not have been performed on an outpatient basis without adversely affecting the patient
- Cosmetic surgery, unless necessary for the prompt repair or alleviation of damage caused by surgery or accidental bodily injury sustained while the insured is covered (Surgery to improve bodily function may be covered when the physical impairment is congenital [present at birth], such as cleft lip or clubfoot.)
- The care or treatment of a self-inflicted injury or any injury sustained in the course of the commission of a felony
- Injury or illness as a result of war or any act of war, whether declared or undeclared
- Rest cures, custodial care, or for confinement in a residential treatment center
- Sex transformation surgery
- Reversal of sterilization
- Treatment of obesity, dietary control, or for weight reduction
- Any hospitalization not listed as eligible in this brochure

HOSPITAL INDEMNITY BENEFIT

INTRODUCTION

North East Independent School District ("NEISD") offers a Hospital Indemnity Benefit as an alternative to the District's self-funded medical program. The Hospital Indemnity Benefit provides a flat daily hospital benefit toward room and board expenses for employees who do not participate in a District health plan. The Hospital Indemnity Benefit will pay \$250 per day for hospitalization with a maximum benefit period of thirty (30) days per occurrence.

The Hospital Indemnity Benefit is a self-funded plan managed and administered by NEISD. In addition to the above benefit, participants are also covered by a \$10,000 group term life insurance policy.

This brochure describes the participant requirements and features of the Hospital Indemnity Benefit. If you have any questions about the Hospital Indemnity Benefit or would like additional information, please contact the NEISD Employee Benefits Office at 407-0187.

ELIGIBILITY

As a district employee, you are eligible and automatically covered (non-contributory) for the Hospital Indemnity Benefit and the \$10,000 term life insurance policy if you meet the following conditions:

- You are a full-time employee of NEISD. Full-time means a person who is scheduled to work at least 32 hours per week on a continuous basis;
- OR**
- You are a part-time employee of NEISD scheduled to work a minimum of 20 hours per week on a continuous basis;
- AND**
- You are not currently enrolled as a participating member in any other health plan offered by NEISD.

Note: Dependents are not eligible for this benefit. There is no monthly contribution due from the employee for this coverage. NEISD will pay the monthly contribution to the NEISD Health Fund.

ENROLLMENT

Your enrollment will be automatic if you meet the work schedule requirements and you are not currently enrolled in another health plan offered by NEISD.

HOW YOUR COVERAGE WORKS

The primary purpose of the Hospital Indemnity Benefit is to provide a benefit for eligible employees who, for whatever reason, have no health insurance or have health insurance provided by a source other than NEISD.

The Plan will pay a \$250 daily benefit for an inpatient hospital confinement where charges are made by the hospital for room and board. The Hospital Benefit is a supplemental plan and benefits are paid directly to you. The benefit can be used to offset expenses associated with the hospital confinement or other medical treatment, cover deductibles and coinsurance, or as an income replacement for lost wages during the period of convalescence.

The maximum benefit period is thirty (30) days per occurrence. A new benefit period will begin once you have (14) continuous days of non-confinement. If you are confined to the hospital for two or more successive periods with non-confinement intervals of less than fifteen (15) days, the collective days confined will be considered one occurrence and benefits will be paid for a maximum of thirty (30) days.

The Hospital Indemnity Benefit is not intended to provide similar benefits for hospitalization as described in any other health plan offered by NEISD. Not all hospital confinements will be considered for payment under the Hospital Indemnity Benefit. Please refer to the Limitations and Exclusions section for more details.

In addition to the \$250 daily benefit, the Hospital Indemnity Plan will pay a \$10,000 term life benefit to your designated beneficiary.

WHEN YOU ARE A HOSPITAL INPATIENT

Eligible charges include room and board for a private or semi-private room, a ward, or an intensive care unit in a hospital.

An "emergency admission" may occur when a physician admits a patient to the hospital due to a sudden and unexpected change in their physical or mental condition that is severe enough to require immediate confinement. If you are admitted to the hospital by an emergency room physician, remember that your benefit begins when you are admitted as an inpatient. The period of time spent having tests, being examined, or observed on an outpatient basis in the emergency room may not be considered the first day of admission.

For the purposes of this plan, a hospital is defined as an institution which is primarily engaged in providing on an inpatient basis facilities for the diagnosis,

treatment, and care of sick and injured persons, under the supervision of a staff of physicians which continuously provide 24-hour nursing service by a staff of registered graduate nurses (including military hospitals); and which is not (other than incidentally) a nursing home, a place of rest for the aged, drug addicts, or alcoholics. No benefits are payable under this program for confinement in an institution which is primarily a school or other institution for training.

Examples of facilities not covered include:

- Convalescence Facility
- Drug Abuse Treatment Facility
- Home Health Care Agency
- Hospice Care Agency/Facility
- Outpatient Surgical Center

FILING A CLAIM FOR BENEFITS

Upon release from a hospital confinement, request an itemized bill or statement documenting room and board charges from the date of admission through the date of discharge. Obtain a Request for Benefits Form from the Employee Benefits Office or print the form online at www.neisd.net/risk. The completed form must be submitted to the Employee Benefits Office with a copy of the hospital bill or statement no later than 90 days after discharge from the hospital to:

**North East ISD
Risk Management & Employee Benefits Department
8961 Tesoro Drive, Suite 209
San Antonio TX 78217**

IMPORTANT!
All claims for the Hospital Indemnity Benefit must be submitted to the Employee Benefits Office within ninety (90) days of hospital discharge. NEISD reserves the right to deny any claim beyond this ninety (90) day proof of claim filing deadline.

PROCEDURE FOR PAYMENT

Only completed Request for Benefit Forms received in the Employee Benefits Office within ninety (90) days of the hospital discharge will be considered.

(continued)

TERMINATION OF COVERAGE

You can participate in the Hospital Indemnity Benefit for as long as you qualify for membership as outlined in the section labeled "Eligibility". If you cease to qualify for participation, your membership will end on the last day of the month for which your final contribution for coverage is made by NEISD. If you resign, retire, or take a leave of absence, your coverage will terminate at the end of the month in which your resignation, retirement, or leave of absence takes effect.

Exception: Coverage will continue during a leave of absence that qualifies under the Family Medical Leave Act (FMLA) for the 12-week period designated as Family Medical Leave.

The Hospital Indemnity Benefit is an indemnity benefit and does not meet the definition or requirements for a health plan under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). There is no continuation option of Hospital Indemnity Benefits under COBRA.

QUESTIONS?

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