



MESSA Medical Subsidy for Disability

For Negotiated Long-Term Disability, Medical Insurance & Life Insurance



MESSA[®]

Good health. Good business. Great schools.

TABLE OF CONTENTS

I. INTRODUCTION	1
II. NEGOTIATED LONG TERM DISABILITY PREMIUM SUBSIDY	2
Definition of LTD Premium Subsidy	2
If Employee is Eligible for Disability Benefits	2
When Employee is no Longer Eligible for Disability Benefits.....	2
III. MESSA MEDICAL INSURANCE PREMIUM SUBSIDY	3
Definition of Medical Subsidy	3
Period of Coverage.....	3
Determination of Eligibility	3
How is the Medical Subsidy of Disability Implemented.....	4
When Medical Subsidy for Disability Benefits End	4
V. WHEN MESSA DISABILITY BENEFITS END.....	5
Employer Responsibilities	5
COBRA and/or FMLA.....	5
If Employee Returns to Work	5
If Employee Becomes Disabled After Returning to Work	5
If Employee Does Not Return to Work When Disability Ends.....	5
V. MESSA LIFE INSURANCE PREMIUM SUBSIDY	6
Definition of Life Insurance Premium Subsidy	6
How is the Life Insurance Waiver Implemented?.....	6
If Employee is Approved for a Life Insurance Waiver	6
VI.SAMPLE DOCUMENTS	
Waiver of Negotiated LTD without MESSA Medical Letter	7
Waiver of Negotiated LTD with MESSA Medical Letter	8
Reinstating LTD Premium on the Employer's Account Letter.....	9
Notice of Options for Continuation of Benefits Flyer	10
Approval of Medical Subsidy for Disability Letter.....	11
90-Day Notice of Cancellation of Medical Subsidy for Disability Letter..	12
Life Insurance Premium Waiver Application Letter	13
Approval of Waiver of Life Insurance Premium Letter	14
Member Cancellation Request Form	15

INTRODUCTION

This booklet has been designed as a resource for administering MESSA's Medical Subsidy for Disability benefits. These benefits may be available when an employee is disabled and unable to work.

This booklet contains information and guidelines for the following:

Negotiated Long-Term Disability Premium Subsidy – premium may be waived once the benefit has been approved and the waiting period has been satisfied.

MESSA Medical Insurance Premium Subsidy – premium may be waived once the benefit has been approved and the waiting period has been satisfied.

Life Insurance Premium Subsidy – premium may be waived based on the approval of the Life Insurance Company of North America (LINA).

For more information regarding MESSA's Medical Subsidy for Disability, please refer to your MESSA coverage booklet or contact MESSA Group Services at 888.888.4167 ext. 2988.

NEGOTIATED LONG-TERM DISABILITY PREMIUM SUBSIDY

Definition

When an employee who has the MESSA Negotiated Long-Term Disability (LTD) benefit becomes disabled and begins receiving disability payments, MESSA will waive the monthly premium for the negotiated LTD once the employee has satisfied the benefit waiting period.

If Employee is Eligible for Disability Benefits

MESSA initiates the negotiated LTD waiver of premium. There is no action needed on the part of the employer to institute this waiver benefit.

- The negotiated LTD waiver of premium becomes effective the first of the month in which the employee has satisfied the benefit waiting period.
- The employer will be notified of the effective date and the amount of the premium that will be adjusted on the next invoice (*see sample letters on pages 7 & 8*). Members enrolled in the medical subsidy do not appear on the invoice.

When Employee is no Longer Eligible for Disability Benefits

The waiver of premium ends when the employee is no longer eligible for LTD benefits. Provided the employee is enrolled in employer-sponsored benefits, MESSA will reinstate billing for the negotiated LTD premium on the next invoice. MESSA will send a letter to the employer indicating the monthly LTD amount and effective date (*see sample letter on page 9*).

When MESSA disability payments end, if the employee is not enrolled in employer-sponsored benefits, MESSA requires a Member Application to reinstate his/her benefits.

MESSA MEDICAL INSURANCE PREMIUM SUBSIDY

Definition

The cost of MESSA medical insurance may be waived once the benefit waiting period under LTD is satisfied. This important feature is available for employees enrolled in a PAK or negotiated LTD program. Without a medical subsidy benefit, the disabled employee may have to pay his/her own medical premium.

The MESSA Medical Subsidy for Disability does not include dental, vision or life insurance coverage.

An eligible employee will continue with his/her current medical plan and family status unless their former school district cancels or changes their MESSA medical coverage. If the member's former employer discontinues or changes MESSA medical coverage the member's medical subsidy will end or change as of the effective date of the medical plan change.

Period of Coverage

MESSA's Medical Subsidy for Disability benefit offers individuals the ability to continue their medical insurance for up to 24 months. The 24 months begins on the first of the month in which the employee receives his/her first disability payment.

The employee is only allowed a total of 24 months of the medical subsidy. If the employee exhausts all of the 24-month allotment, the medical subsidy will be cancelled even if the employee continues receiving disability payments.

Determination of Eligibility

A MESSA member is entitled to up to 24 months of the medical subsidy under the following conditions:

- The employee continuously receives MESSA disability payments
- The employee remains ineligible for employer-paid medical premiums.
- The employee is not eligible to receive medical benefits under Michigan Public School Employees' Retirement System (MPSERS)

How is the MESSA Medical Subsidy for Disability Implemented?

- The employer submits to MESSA, via a Member Cancellation Request, the date the employee is no longer covered by the employer's insurance (see *sample form on page 15*).
- MESSA will cancel the benefits provided by the employer.
- If at the time of cancellation the employee is eligible for disability payments, MESSA will enroll the employee in the medical subsidy.
- The employee will receive an approval of medical subsidy letter (see *sample letter on page 11*).

When Medical Subsidy for Disability Benefits End

When the employee's 24 months end or if the employee stops receiving disability payments, MESSA will send the employee a letter informing him or her of the expiration of the medical subsidy. This letter explains the options for continuing his/her medical plan. The employee may be eligible for a Blue Cross Blue Shield of Michigan conversion plan. For rate information and a description of the plan, contact Blue Cross at 888.288.2738 or visit their website at **www.bcbsm.com**.

WHEN MESSA DISABILITY BENEFITS END

Employer Responsibilities

COBRA and/or Family and Medical Leave Act (FMLA)

Please consult with legal counsel regarding COBRA or FMLA obligations as an employer.

If Employee Returns to Work

In the event an employee is no longer eligible for disability benefits and returns to work, the employer must then submit a new Member Application for benefits. The application should indicate Rehire/Reinstate, as well as the date the employee returned to work. MESSA will not automatically reinstate the employee's medical coverage when the medical subsidy ends.

If Employee Becomes Disabled After Returning to Work

If an individual has returned to work and then becomes disabled due to the same or related condition (as determined by the MESSA Disability Department), he or she is entitled to the balance of the remaining 24-month benefit allotment from the original claim.

If Employee Does Not Return to Work When Disability Ends

If the employee is no longer eligible for disability benefits and does not return to work, he or she may be entitled to one of the following options: COBRA or Blue Cross conversion.

**LIFE INSURANCE
PREMIUM SUBSIDY
(LIFE INSURANCE WAIVER OF PREMIUM)**

Definition

Life insurance premiums may be waived when the employee has been continuously disabled for six months. In order to be eligible for the waiver of optional life insurance benefits such as Supplemental Term Life and Survivor Income Insurance, the MESSA member must be under the age of 65 when he or she becomes disabled. In order to be eligible for the waiver of Negotiated Life insurance, the member must have become disabled before the age of 60. For a complete and extensive description, please refer to your life insurance plan summary booklet. Please contact MESSA Group Administration at 888.888.4167, ext 7919 for a copy of the booklet.

How is the Life Insurance Waiver Implemented?

After *four* months of disability, MESSA begins the process by sending the Life Insurance Company of North America (LINA) waiver of life insurance premium claim form to the employee. The following steps are required to qualify for a life insurance waiver of premium:

- The employee must fill out the form and return it directly to LINA.
- The employee must deliver the employer portion of the form to the employer. The employer is required to complete the employer section of the LINA form and return it directly to LINA.
- The employee must deliver the physician portion of the form to his or her physician for completion and return the completed form to LINA.
- LINA will send notification of approval or denial of waiver of life premiums to the employee, with a copy to MESSA.

Note: If the employee is enrolled in a non-MESSA disability policy, it is the employee's responsibility to notify MESSA when he or she has been continuously disabled for six months.

If Employee is Approved for a Life Insurance Waiver

MESSA will waive the monthly life insurance premium beginning the first day of the month in which the waiver of life premium was approved by LINA. If the employee is still enrolled in life insurance on the employer's account, MESSA will send a copy of the approval letter to the employer (*see sample letter on page 14*).

Waiver of Negotiated LTD
When Member Doesn't Have MESSA Medical
(addressed to school business office)



June 2, 2010

Jane Smith
ABC School District
123 S Main St.
Anywhere MI 49096

RE: James Bond

Member ID: 987654

Dear Ms. Smith:

Our records indicate that the above-named employee has been receiving Negotiated Long-Term Disability (LTD) benefits since April 15, 2007.

The premium for the negotiated LTD benefit in the monthly amount of \$20.73 will be waived beginning on April 1, 2007.

The waiver of premium will end when the employee is no longer eligible for the LTD benefits. MESSA will reinstate billing for the negotiated LTD premium on a monthly basis, provided the employee is enrolled in employer-provided benefits at that time.

If you have any questions regarding this issue, please contact MESSA Group Services at 888.888.4167 ext. 2988.

Sincerely,

MESSA Group Services

Waiver of Negotiated LTD
When Member Has MESSA Medical
(addressed to school business office)



June 2, 2010

Jane Smith
ABC School District
123 S Main St
Anywhere MI 49096

RE: James Bond

Member ID: 987654

Dear Ms. Smith:

Our records indicate that the above-named employee has been receiving Negotiated Long-Term Disability (LTD) benefits since April 15, 2007.

The premium for the negotiated LTD benefit in the monthly amount of \$20.73 will be waived beginning on April 1, 2007, and will continue as long as the employee receives disability benefits.

Additionally, MESSA will waive the monthly contributions for the MESSA medical plan during any one period of disability for up to 24 months, beginning the first of the month that the employee received negotiated LTD benefits.

To initiate MESSA's Medical Subsidy for Disability, please submit a Member Cancellation Request with this additional information:

- Date that your contractual obligation (including benefits from Family and Medical Leave Act) to provide health insurance ends.

If the employee is eligible to continue any other benefits while disabled, please attach the appropriate documentation.

If you have any questions regarding this issue, please contact MESSA Group Services at 888.888.4167 ext. 2988.

Sincerely,

MESSA Group Services

Reinstating LTD Premium on the Employer's Account
(addressed to school business office)



June 2, 2010

Jane Smith
ABC School District
123 S Main St
Anywhere MI 49096

RE: James Bond

Member ID: 987654

Dear Ms. Smith:

The above-named employee is no longer eligible for the Negotiated Long-Term Disability (LTD) waiver of premium.

Adjustments will be made to add the negotiated LTD premium back on your invoice effective May 1, 2007. The monthly negotiated LTD premium for this employee will be \$20.73. Please verify on your next invoice.

If you wish to remove this employee from your account, please submit a Member Cancellation Request to MESSA Group Services.

If you have any questions regarding this issue, please contact MESSA Group Services at 888.888.4167 ext. 2988.

Sincerely,

MESSA Group Services



(Member Flyer)

Notice of Options for Continuation of Employer Sponsored Benefits

MESSA has been notified that some of the health benefits provided by your employer have been cancelled effective December 31, 2000. Below are your options for continuing those benefits.

COBRA Continuation of Dental and Vision

You and your dependent(s) may each have the right to continue insurance under COBRA. Contact your employer within 60 days if you have any questions regarding your COBRA rights.

Blue Cross Blue Shield of Michigan Conversion Plan

When you are no longer eligible for a health plan through your employer you may be eligible for a Blue Cross Blue Shield of Michigan conversion plan. For rate information and a description of the conversion plan, contact Blue Cross at 877.469.2583 or visit their website at www.bcbsm.com. Your benefits will change and coverage will be limited to your immediate family. There will be no interruption of coverage provided you pay the premiums when due.

Optional Life Insurance Continuation*

You may continue your group life insurance on a direct payment basis by paying the required contribution for the cost of this insurance. The benefit amounts will not be any greater than the amount for which you were enrolled as an active member.

Converting Negotiated Life Insurance*

You have the right to convert your negotiated life insurance program to a whole life insurance policy (up to the amount of your current coverage). You will be required to complete an application for conversion **within 62 days** of becoming ineligible for continued coverage.

**Contact MESSA Group Services for additional information on how to apply for this coverage.*

Contact MESSA Group Services with any questions at 888.888.4167.

Approval of MESSA Medical Subsidy for Disability

(Member letter)



June 2, 2010

James Bond
12345 Anystreet
Anywhere MI 48910

Member ID: 987654

Re: Approval of MESSA Medical Subsidy for Disability
Effective Date: April 1, 2007

Dear Mr. Bond:

Along with your Negotiated Long Term Disability (LTD) Plan, MESSA provides an important benefit that is generally not available with other health insurance carriers. This outstanding feature is the MESSA Medical Subsidy for Disability. To be eligible for this benefit plan, you must be receiving LTD benefits. This benefit plan allows you to continue your current medical insurance plan for up to 24 months at no cost to you. If you are age 69 or older, you will only be eligible for up to 12 months of the medical subsidy benefit. The MESSA Medical Subsidy for Disability does not include dental, vision or life insurance.

The 24-month period will be reduced by any period for which your employer is obligated to make monthly contributions for your health plan. MESSA has been notified that your employer's contractual obligation to pay benefits ended on March 31, 2007.

If QRS Schools discontinues or changes MESSA medical coverage your MESSA Medical Subsidy for Disability benefit will end or change as of the effective date of the medical plan change.

Your Medical Subsidy benefit begins April 1, 2007 and is scheduled to end on March 31, 2009. The medical subsidy is available for up to two years providing the following conditions are met:

- You remain disabled and/or continue to receive disability payments.
- You are not covered under your employer's health plan.
- You are not receiving medical benefits with Michigan Public School Employees' Retirement System.
- QRS Schools continues to carry MESSA medical coverage. If QRS Schools discontinues MESSA medical coverage, your MESSA Medical Subsidy for Disability will end as of the effective date of the medical plan change. Your disability benefits under the Long Term Disability plan will continue.

If you have any questions, please contact MESSA Group Services at 888.888.4167 ext. 2988.

Sincerely,

MESSA Group Services

90-day notice of cancellation of
MESSA Medical Subsidy for Disability
(Member letter)



March 1, 2009

James Bond
12345 Anystreet
Anywhere MI 48910

Member ID: 987654

Re: 90-Day Notice of Cancellation of MESSA Medical Subsidy for Disability
Effective Date of Cancellation: November 30, 2002

Dear Mr. Bond:

This letter is to inform you that your MESSA medical coverage under the MESSA Medical Subsidy for Disability benefit will be cancelled effective November 30, 2002. You are being sent this notice so you will have time to enroll in another medical plan and prevent a lapse in your medical coverage.

You may want to consider converting to a Blue Cross Blue Shield of Michigan plan. For rate information and a description of the conversion plan, contact Blue Cross at 888.288.2738 or visit their website at www.bcbsm.com.

To continue your Medical Subsidy for Disability until November 30, 2002, you must continue to meet the conditions listed below. Your medical coverage will be cancelled immediately if any of these conditions change.

- You remain disabled and/or continue to receive disability payments.
- You are not covered under your employer's health plan.
- You are not receiving medical benefits with Michigan Public School Employees' Retirement System.
- OPQ Schools continues to carry MESSA medical coverage. If OPQ Schools discontinues MESSA medical coverage, your MESSA Medical Subsidy for Disability will end as of the effective date of the medical plan change. Your disability benefits under the Long Term Disability plan will continue.

Contact MESSA Group Services with any questions at 888.888.4167, ext. 2988.

Sincerely,

MESSA Group Services

Life Insurance Premium Waiver Application Letter
(Member letter)



June 2, 2010

James Bond
12345 Anystreet
Anywhere MI 48910

Member ID: 987654

Dear Mr. Bond:

MESSA members who have been disabled for a minimum of six months or longer may be eligible for a life insurance waiver of premium administered by LINA*. This benefit waives the premium for the life insurance benefits you had at the time you became disabled and will continue as long as you remain disabled.

In order to apply for the life insurance waiver of premium, the enclosed forms must be completed and returned to LINA within 30 days in the enclosed envelope.

- If you are currently receiving Long-Term Disability (LTD) benefits from MESSA, you only need to submit the **Group/Association – Proof of Loss form**. Complete the Employee section and Disclosure Authorization and have your employer complete the Employer/Administrator section.
- If you are not receiving LTD benefits from MESSA, you must submit the above form along with the **LINA Disability Claim form**, which must be completed by your treating physician. *Please check with your physician's office before incurring charges; fees for completing forms are not covered by your disability or health plans.*

Upon receipt of the completed forms, LINA will determine your eligibility for the life insurance waiver of premium and notify you in writing of the decision.

If you have any questions regarding the filing of your claim, contact MESSA Group Services at 888.888.4167.

Sincerely,

MESSA Group Services

cc: LINA

Enclosures

**Policies FLI980011 and FLI980012 are underwritten by Life Insurance Company of North America*

Approval of Waiver of
Life Insurance Premium
(addressed to school business office)



June 2, 2010

Jane Smith
ABC School District
123 Anystreet.
Anywhere MI 49096

Member: James Bond

Member ID: 456456

Dear Ms. Smith:

Our records indicate that the above-named employee has been approved for a life insurance waiver of premium, effective April 15, 2007.

The premium for the life insurance benefits in the amount of \$20.73 will be waived beginning April 1, 2007 and will continue until we are notified that the employee is no longer disabled.

If you have any questions regarding this issue, please contact MESSA Group Services at 888.888.4167 ext. 2988.

Sincerely,

MESSA Group Services

Member Cancellation Request



1475 Kendale Blvd., PO Box 2560
 East Lansing, MI 48826-2560
 Questions? Call 888.888.4167
 Fax: 517.203.2914

Member Cancellation Request

This form is designed to cancel **ALL** individual member's MESSA benefits.

(Please Print)

Group Name	Group Number:	Date:	Phone Number: ()	Ext.
Requested by:	Position:	E-mail Address:		

Social Security Number or MESSA ID	Member Name	Effective Date	Reason Code	Reason Codes
				<p>1 Cancellation of Employment: Member is no longer an employee and will not be returning. Retirees continuing coverage must submit an application. Cancellation of benefits may require a COBRA notification from the employer.</p> <p>2 Layoff/Privatization: Employer must submit a copy of the layoff notice including the employee's right to recall or a copy of the letter informing the employee's job has been privatized.</p> <p>3 Death: Report date of death under effective date.</p> <p>4 COBRA: Member's entire COBRA coverage cancelled. To cancel partial coverage, complete a COBRA application.</p> <p>5 OptionALL: Cancel all OptionALL elections.</p> <p>6 Disability: Cancel from business account due to disability.</p> <p>7 Leave of Absence: Member is on paid or unpaid leave of absence.</p> <p>8 Military Duty: Member is on leave due to military duty.</p>

Important Policies:

- ▶ **Retro Cancellation Policy:** Requests to retroactively cancel a member's benefits will be granted for the month in which the request is made and the prior month.
- ▶ **Double Dipping:** Please do not credit yourself on your current invoice for these cancelled members' benefits. Credits will appear on your next invoice, but if you manually credit yourself, it will create a "double dipping" situation.
- ▶ **Partial/Total Group:** The **Member Cancellation Request** may not be used to cancel benefits for a partial or total group. Please consult the **4 Steps to Implementing/Cancelling MESSA Group Benefits** for the procedures.

Other Forms:

- ▶ **Change of Partial/Total Group:** To cancel the benefits for a partial or total group, including privatization, please submit a **Request for Group Benefit Implementation/Cancellation Form**.
- ▶ **Job Codes, Full Time/Part Time Status, or Standard Hours:** To request a change in job codes, full time/part time status, or standard hours please submit a **Member Application**.
- ▶ **Member Information/Variable Option:** To request a change in member information or delete variable options, please submit a **Member Change Form**.
- ▶ **Cancellation of Medical:** If cancelling an individual member's medical coverage and the member has other MESSA benefits, please submit a member signed **Member Application**. If the member has medical coverage only, then a **Member Cancellation Request** may be used.

Remarks: _____

MES - GS
 Rev. 11/01/10
 Pr. 11/10 - 1PDF



Available online at www.messa.org

Click on:

Business Offices/Business Office Forms/Member Cancellation Request