

QUALIFIED MEDICAL CHILD SUPPORT ORDER PROCEDURES FOR SHIELDS HEALTH CARE GROUP GROUP HEALTH PLAN BENEFITS

What is a Qualified Medical Child Support Order (QMCSO)?

A "QMCSO" is a medical child support order (from a court or administrative agency) that creates or recognizes the right of an "alternate recipient" to receive benefits for which a participant or beneficiary is eligible under a group health plan. The medical child support order may be a judgment, decree, or order (including approval of a settlement agreement) that (1) provides for child support with respect to a child of a participant under a group health plan, (2) provides for health benefit coverage is made pursuant to a State domestic relations law (including a community property law), or (3) is made pursuant to a law relating to medical child support described in section 1908 of the Social Security Act.

A medical child support order becomes a QMCSO when it is recognized by the group health plan as meeting certain requirements under applicable law.

Who can be an "alternate recipient"?

Any child of a participant in a group health plan who is recognized under a medical child support order as having a right to enrollment under the group health plan with respect to such participant is an alternate recipient. Eligible children include children adopted by, or placed for adoption with, plan participants.

Why does it matter if a medical child support order is "qualified"?

An alternate recipient under a qualified medical child support order is entitled to certain rights under the group health plan that are not available if the medical child support order is not qualified.

What information must a medical child support order contain to be "qualified" by the group health plan?

A medical child support order must contain the following information to be qualified by the group health plan:

- The name and last known mailing address of the participant and each alternate recipient. The order may substitute the name and mailing address of a State or local official for the mailing address of any alternate recipient;
- A reasonable description of the type of health coverage to be provided to each alternate recipient (or the manner in which such coverage is to be determined); and
- The period to which the order applies
- An order may not require a plan to provide any type or form of benefit, or any option, not otherwise provided under the plan, except to the extent necessary to meet the requirements of certain State laws.

Is a National Medical Support Notice a QMCSO?

Yes, a National Medical Support Notice is a qualified medical support notice if it includes the information required above.

PROCEDURES

Upon receiving a document providing for coverage of a child under the group health plan, the Plan Administrator will:

1. Determine if the document applies to employee benefits subject to Section 609(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA).
2. If the Plan Administrator determines that the document pertains to benefits subject to Section 609(a) of ERISA, determine if the document is a National Medical Support Notice or a medical child support order as described above.
3. If the Plan Administrator determines that the document is a medical child support order or National Medical Support Notice, notify the participant, each alternate recipient and the issuing court or agency in the case of a National Medical Support Notice of the receipt of the order and provide a copy of these procedures.
4. Review the employment status of the affected employee/parent and review the plan provisions to determine which, if any, group

health plan benefits are available to the alternate recipient.

5. Determine if the document is a qualified medical child support order under applicable law.
6. Notify the plan participant and the alternate recipient whether the document is a qualified medical support order within a reasonable time after date of the order (not to exceed 40 business days in the case of a National Medical Support Notice).

A person who is an alternate recipient under a QMCSO will be considered a "participant" under the group health plan for purposes of the reporting and disclosure requirements of ERISA, and will be considered a "beneficiary" under the group health plan for all other purposes of ERISA.

Any payment for benefits made by the group health plan pursuant to a QMCSO as reimbursement for expenses paid by an alternate recipient or the alternate recipient's custodial parent or legal guardian will be made to the alternate recipient or the alternate recipient's custodial parent or legal guardian.

These procedures are applicable only to group health plan benefits subject to Section 609(a) of ERISA.