

# Illinois

## State-Mandated Benefits



NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

This insert is part of the Health Care Benefits Brochure and reflects insurance benefits mandated by the State of Illinois.

■ **Eligible Dependents:** A dependent includes the employee's unmarried child under age 19 or under age 25 if the child is a full time student. A dependent also includes an unmarried child of any age who is or becomes disabled due to mental retardation or physical handicap before age 19 and is dependent upon the employee.

■ **Routine Care:** The plan will provide benefits for one low dose mammography for a baseline mammogram for women age 35 to 39, and an annual mammogram for women 40 years of age and over. One cervical smear or Pap smear test per calendar year per female participant. One digital rectal examination and prostate-specific antigen test per calendar year per male participant, upon recommendation of a physician, for: asymptomatic men age 50 and over, African-American men age 40 and over; and men age 40 and over with a family history of prostate cancer. One colorectal cancer screening with sigmoidoscopy or fecal occult testing every three calendar years for participants who are at least 50 years of age or older or for participants who are at least 30 years of age or older and who are classified as high risk. All benefits listed in this section are subject to any copayment, deductible, or coinsurance provisions of the plan, but will not count toward the annual routine care maximum.

■ **Maternity Benefits:** If the duration of inpatient care is less than 48 hours following a vaginal delivery or 96 hours following a cesarean section, the plan will pay benefits for charges for post delivery care which includes one home follow up visit, provided that visit occurs within 48 hours of discharge.

■ **Congenital Defects and Birth Abnormalities:** The plan will provide benefits for charges incurred for a covered illness or injury, including the necessary care and treatment of medically diagnosed congenital defects and birth abnormalities for the following: (1) newly born children who are participants, from the moment of birth; or (2) adopted children who are participants, from the date of final decree of adoption.

■ **Serious Mental Illness:** With respect to participants enrolled in a group with 51 or more full-time employees, the plan will pay covered charges for treatment of a serious mental illness the same as any other illness up to a calendar year maximum for the following services: 45 days of inpatient treatment; 35 visits for outpatient treatment including group and individual outpatients visits.

Outpatient visits for the purpose of medication management will not count towards the calendar year visit limit. Benefits for serious mental illness are subject to the same deductible, copayment, and coinsurance provisions of the plan as any other physical illness.

■ **Treatment of Diabetes:** The plan will provide benefits for the treatment of diabetes, which includes self-management training, including medical nutrition therapy, diabetes equipment, diabetes pharmaceuticals and supplies and regular foot care exams.

■ **Infertility:** For groups with 25 or less employees, the plan will provide benefits for infertility diagnostic services. For groups with more than 25 employees, the plan will provide benefits for the treatment of infertility in addition to infertility diagnostic services.

■ **Mastectomy Coverage:** Federal law requires that this plan pay benefits for charges for (1) reconstruction of the breast on which the mastectomy has been performed; (2) surgery and reconstruction of the other breast to produce symmetrical appearance; and (3) prostheses and physical complications of all stages of mastectomy, including lymphedemas; in a manner determined in consultation with the attending physician and the patient.

■ **Nervous or Mental Disorders:** The plan will provide benefits for the inpatient and outpatient treatment of nervous or mental disorders at 50% up to an annual maximum benefit of \$10,000.

■ **Alcoholism:** This plan will provide benefits for the inpatient treatment of alcoholism the same as any other illness.

■ **Sexual Assault or Abuse:** This plan will pay benefits for charges incurred in the examining and testing of a victim of criminal sexual assault or abuse.

■ **Illinois Continuation of Coverage:** This plan provides for a 9 month continuation of coverage provision for qualifying Illinois residents who lose coverage. This provision is mandatory for all eligible employer plans and applies to individuals who meet the terms for loss of coverage outlined in the certificate and who have been insured under this policy for at least 3 months prior to termination, with special provisions for qualifying dependents. This continuation would run concurrent with any COBRA continuation for which the individual may be entitled.

## **RATE AND RENEWABILITY DISCLOSURE**

Many states are requiring insurance companies to establish small group health rates within specific guidelines outlined by the state. They also require companies to provide written disclosure of their rating practices to you at the time of sale.

### **Class of Business**

This notice pertains to small employer groups who elect to subscribe to and participate in the National Health Care Trust, insured by North Carolina Mutual Life Insurance Company.

### **Establishing Initial Group Rates**

The rating guidelines we follow were designed and developed to promote fairness in the small group marketplace. These guidelines promote fairness by acknowledging the similarities of each group while recognizing some diversity.

The premium rates for groups enrolling for coverage with us for the first time are established through projections or estimates of future claims. These projections consider the specific benefits we currently offer, as well as the projected cost of health care and anticipated medical claims, for all groups. We also consider health status or duration of coverage in establishing or adjusting rates. In addition, rates are adjusted in accordance with the laws of your particular state.

### **Rate Guarantees and Changes**

Our current practice is to guarantee each employer group's initial rates for 6 to 12 months from the effective date of coverage.

This guarantee holds true provided the group's composition, geographic location, and benefits remain unchanged. The group's rates may be adjusted during the rate guarantee period whenever any one of the following occurs:

- If a group adds or eliminates employees;
- If age and sex compositions of the group change;
- If the business moves from one geographic rate area to another; or
- If the group changes its benefits in any way.

Our rate guarantees will change with market conditions. In general, we have the right to change premium rates on any date the terms of the plan are changed or on any premium due date as long as we provide advance written notice as provided by state law.

### **How Rate Increases are Determined**

A group's rate increase will be adjusted due to factors such as medical inflation, claims experience, duration of coverage and current market conditions. We control the group's rate increase to the sum of the following:

- A percentage change made to new business rates since the last time rates were increased for the group;
- An adjustment of up to 15% annually and adjusted pro rata for rating periods of less than a year; and
- Any adjustment due to any change in coverage or case characteristics.

### **How Coverage is Renewed**

All employers have the option to continue coverage with us, except in any of the following situations:

- Required premiums are not paid;
- Fraud or misrepresentation of the employer or an individual;
- Noncompliance with plan provisions, including minimum participation requirements and eligibility requirements of the plan; or
- Nonrenewal of all plans by us in a particular class of business, in which case all affected participating employers will be notified in advance according to state law.

### **Pre-existing Conditions and Late Entrants**

A pre-existing conditions provision may apply to an employee or dependent. When it does, pre-existing conditions will not be covered for a period of time or benefits will be limited under the policy. The pre-existing condition waiting period may be reduced by the length of time an employee was covered by a prior qualifying plan. Late entrants may also be excluded from coverage for a period of time. These provisions will be described in the certificates issued to the employees and will never be more restrictive than the applicable laws of your state. Please refer to your outline of coverage for a listing of exclusions, limitations and pre-existing condition provisions.