
IMPORTANT: ACTION REQUIRED FOR DEPENDENT COVERAGE

May 27, 2011

Dear Employee:

The District is committed to offering employees affordable and competitive benefits. To ensure that only eligible dependents are enrolled and to meet health plan contract obligations, the District must verify **ALL spouses/CA-Registered same-sex domestic partners, newly enrolled family members, including same-sex domestic partners' dependent children**. You are being contacted because you have a spouse/CA-registered Domestic Partner and/or *selected* dependent child(ren) enrolled in the District health benefits. In order to continue coverage for your dependent(s), you **must** provide the following to prove that your dependents are eligible according to the Plan eligibility requirements. *Please note that dependent children who have qualified for benefits in Plan Year 2010/2011 and experienced no gap of coverage at all in 2010-11 will not be subject to the audit for Plan Year 2011/2012.*

You must provide proof of eligibility for the person(s) listed on the enclosed *Cover Sheet for Dependent Verification* form to Secova, no later than **June 22, 2011**. Failure to provide the necessary documentation by June 22, 2011 will disqualify the dependent for coverage for the Plan Year 2011/2012.

Your Privacy

Secova enforces a strict company privacy policy for the handling of your documents and communications that may contain sensitive information. We ensure that the information you submit, in all forms, (including paper, electronic, and telephonic), remains secure. We require all employees at Secova to complete HIPAA (Health Insurance Portability and Accountability Act) data security management training and employees are regularly audited on their compliance with PHI (Protected Health Information) privacy requirements.

What You Need to Do

Please complete the following steps for your dependent(s) currently enrolled in the District healthcare coverage.

- **REVIEW** the enclosed *Dependent Definitions and Required Documents* to confirm your dependents meet the eligibility requirements and to identify what documentation you are required to submit; **AND COMPLETE THE FOLLOWING STEPS:**
 1. **VISIT** The District Dependent Eligibility Verification website @ <https://verify.secova.com/fhda> for instructions on verifying dependent eligibility online; **OR**
 2. **OBTAIN** the appropriate documentation for each dependent and make copies; **AND**
 3. **WRITE** your name, FHDA Verification# and FHDA in the top right hand corner of each document you submit. See the enclosed *Cover Sheet for Dependent Eligibility* for your FHDA Verification#; it is in the upper right hand corner above the bar code; **AND**
 4. **COMPLETE, SIGN AND DATE** the enclosed *Cover Sheet for Dependent Eligibility*; **AND**
 5. **MAIL** the completed and signed *Cover Sheet for Dependent Eligibility* with copies of required eligibility documentation, **OR FAX** your documents to Secova at 1-866-585-6860 no later than June 22, 2011. A postage-paid envelope is enclosed for your convenience. If you mail the form, please keep a copy for your records.

If you have questions,
please call Secova at
1-866-364-2594 (toll-free).
Representatives are available
Monday through Friday
8:00 AM to 6:00 PM PST.
Your call is confidential.

If you fax the documents to Secova, please retain a copy of the fax transmission confirmation for your records. If you mail the forms, you may want to obtain a proof of mailing from the USPS, or you may send it certified mail.

Upon completion of the verification process, you will receive confirmation on the verification status of your dependent(s) from Secova. If you have any questions during this process please contact:

Secova
1-866-364-2594
Monday-Friday
8:00 AM – 6:00 PM PST
Email: fhda.benefits@secova.com

If you are **NOT** filing for an extension due to late income tax filing, and you do not sign and return the (1) *Cover Sheet for Dependent Verification* and (2) *Required Documents* to Secova by June 22, 2011, your dependents will be removed from your coverage effective June 30, 2011.

I. TO REQUEST AN EXTENSION DUE TO LATE INCOME TAX FILING:

Employees who delay filing income taxes must submit a copy of the **2010 Application for Automatic Extension of Time to File Federal Individual Income Tax Returns (Form 4868)** to Secova no later than **June 22, 2011** to request an extension. By this date you must advise Secova whether you will be using the extended deadline of June 22, 2011 or the full extension through October 18, 2011 (the last date to file 2010 IRS taxes). ***Please be advised that if you require the October 18, 2011 deadline, COBRA extension beyond August 29, 2011 is not available.***

IMPORTANT: Please be advised that the delay in tax filing option does not negate you from submitting the completed 2010 "1040 federal income tax return" to Secova by the ultimate due date: **October 18, 2011, 5:00 PM. Failure to provide the required documentation by October 18, 2011, 5:00 PM will disqualify the dependent for coverage effective October 31, 2011.** *All incurred expenses inadvertently paid by the Plan from July 1 – October 31, 2011 for your non-verified dependents will be considered as imputed income, and W-2 for 2011 will reflect the added income accordingly. Imputed income is considered as taxable income to you.* In the event there is fraud or an intentional misrepresentation of material fact, the Plan may cancel coverage for the dependent(s) retroactively to June 30, 2011.

Please be mindful that ANY SELECTED dependent children must be verified by 5:00 PM, June 22, 2011 despite your decision to delay tax filing. A copy of the birth certificate is mandatory in this case.

II. NON-COMPLIANCE:

Failure to provide the required documentation (regular tax filers) will disqualify the dependent for coverage effective July 1, 2011. There will be no exceptions to the June 22nd deadline unless you are eligible for and submit documentation to be granted an extension due to late income tax filing (see instructions above). Additionally, non-compliant employees may be responsible for any employer-paid contributions and benefits rendered by the plan for ineligible coverage.

IMPORTANT: Employees who fail to meet the Plan Year 2011/2012 deadline of June 22nd may request a **One-Time Immunity** for reinstatement of dependent coverage with the District no later than July 31, 2011 provided that you must pay a **\$500.00 penalty fee** to the District for late compliance. **This penalty fee will be enforced through a payroll deduction on your first 2011-2012 paycheck.** **If the One-Time Immunity is not requested by the employee, or previous immunity has been exercised, then reinstatement of dependent coverage will not be allowed until the next plan year (PY 2012/2013).**

Your cooperation during this process allows us to maintain the integrity of our benefit programs and continue to provide cost-effective coverage for our employees. Thank you for your time and responsiveness to ensure your District health benefits coverage continues for your dependent(s).

Sincerely,



Christine Vo
Benefits Manager