



**Edward W. Sparrow Hospital Association MNA Employees Health Reimbursement Arrangement Account**



July 2023

**TO: ALL PLAN PARTICIPANTS OF THE EDWARD W. SPARROW HOSPITAL ASSOCIATION MNA EMPLOYEES HEALTH REIMBURSEMENT ARRANGEMENT**

Dear Plan Participants:

We have attached the following Important Notices and Annual Report for your review. These Notices and Report are required to be mailed to each Plan Participant annually as provided by the Employee Retirement Income Security Act of 1974 (ERISA):

- 2022 Summary Annual Report Pages 2 – 3
- Summary of Material Modifications Pages 3
- Notice of HIPAA Privacy Policy Page 4
- Important Notice about your Prescription Drug Coverage and Medicare Pages 5 – 6
- Notice on Women’s Health and Cancer Rights/Newborns’ And Mothers’ Health Protection Page 7

**If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please see pages 5-6 for more details.**

Sincerely,

**Edward W. Sparrow Hospital Association MNA Employees Health Reimbursement Arrangement**

## **SUMMARY ANNUAL REPORT**

This is a summary of the Annual Report for the Edward W. Sparrow Hospital Association MNA Employees Health Reimbursement Arrangement, Employer Identification Number 26-0655485, Plan No. 501, for the period of January 1, 2022 through December 31, 2022. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees has committed itself to pay all medical, surgical and other health care claims incurred under the terms of the Plan.

## **BASIC FINANCIAL STATEMENT**

The value of Plan Assets, after subtracting Liabilities of the Plan was \$22,150,141 as of December 31, 2022, compared to \$24,892,665 as of January 1, 2022. During the Plan Year, the Plan experienced a decrease in its Net Assets of \$2,742,524. This decrease includes unrealized appreciation and depreciation in the value of Plan Assets; that is, the difference between the value of the Plan's Assets at the end of the Year and the value of the Assets at the beginning of the Year or the cost of Assets acquired during the Year. During the current Plan Year, the Plan had Total Income of (\$2,003,150), including Employer contributions of \$1,160,484, realized gains of \$0 from the sale of assets, losses from Investments of \$-3,165,244, and other income of \$1,610.

Plan Expenses were \$739,374. These Expenses included \$208,292 in Administrative Expenses and \$531,082 in benefits paid to Participants and Beneficiaries.

## **YOUR RIGHTS TO ADDITIONAL INFORMATION**

You have the right to receive a copy of the full annual report or any part thereof, on request. The items listed below are included in that report.

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Edward W. Sparrow Hospital Association MNA Employees Health Reimbursement Arrangement, 6525 Centurion Drive, Lansing, Michigan, 48917 or (517) 321-7502. The charge to cover copying costs will be twenty-five cents (\$0.25) per page.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a Statement of the Assets and Liabilities of the Plan and accompanying notes, or a Statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs does not include a charge for the copying of these portions of the Report, because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Edward W. Sparrow Hospital Association MNA Employees Health Reimbursement Arrangement, 6525 Centurion Drive, Lansing, MI 48917-9275), at any other location where the Report is available for examination and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

### **Paperwork Reduction Act Statement**

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13) (PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average less than one minute per notice (approximately 3 hours and 11 minutes per plan). Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of the Chief Information Officer, Attention: Departmental Clearance Officer, 200 Constitution Avenue, N.W., Room N-1301, Washington, DC 20210 or email [DOL\\_PRA\\_PUBLIC@dol.gov](mailto:DOL_PRA_PUBLIC@dol.gov) and reference the OMB Control Number 1210-0040.

OMB Control Number 1210-0040 (expires 07/31/2023)

---

### **SUMMARY OF MATERIAL MODIFICATIONS**

A Summary Plan Description (“SPD”) was distributed to participants in April 2021, which reflected the provisions of the Fund’s Plan in effect on January 1, 2021. It has continued to be distributed to new participants. If you have not received one, contact your union or the Plan’s administrative office.

This Notice, known as a Summary of Material Modifications (“SMM”), provides a brief description of the changes adopted by the Board of Trustees since the most recent Summary Plan Description (“SPD”) was distributed. It is an amendment to the SPD and should be kept with the SPD for future reference.

The Board of Trustees as of the date of this Notice is as follows:

**Union Trustees:**

Marianne George, Secretary  
Jessica Lannon  
Andrew Smith  
Jackie Walker

**Management Trustees:**

Teresa Znidarsic, Chairperson  
Carol Fredericks  
William Howe  
Cindy LaFountain

Administered for the Trustees by:  
TIC International Corporation  
6525 Centurion Drive,  
Lansing, Michigan 48917

Legal Counsel  
Derek Watkins  
Watkins, Pawlick, Calati & Prifti, PC  
1423 East Twelve Mile Road  
Madison Heights, Michigan 48071

---

**NOTICE OF HIPAA PRIVACY POLICY**

This Notice is intended to confirm that the Fund complies with the Privacy Regulations issued under the Health Insurance Portability and Accountability Act (HIPAA). The law restricts the use and disclosure of the non-public “protected health information” of the Participant and the Participant’s covered dependents, if any, with regard to benefits provided under the Fund’s group health plan. That protected health information can generally be disclosed only by the Fund, its vendors and the Participant’s/dependent’s health care provider(s) only if necessary for the payment of claims, treatment of illness or other health care operations, including the administration of health care benefits, as permitted by law and the HIPAA Privacy Regulations.

For a complete copy of the Fund’s Notice of Privacy Policy, write or call the Fund Office at the address and telephone number and listed below:

The Edward W. Sparrow Hospital Association MNA Employees  
Health Reimbursement Arrangement  
6525 Centurion Drive  
Lansing, MI 48917-9275

Telephone (517)321-7502  
Fax 517-321-7508

---

**IMPORTANT NOTICE**  
**ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Edward W. Sparrow Hospital Association MNA Employees Health (“Fund”) Reimbursement Arrangement and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are three important things you need to know about your current coverage and Medicare’s prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The Edward W. Sparrow Hospital Association MNA Employees Health Reimbursement Arrangement does not provide prescription drug coverage to any Medicare-Eligible Retirees or Spouses participating in the Fund. In other words, the Fund provides Non-Creditable Coverage to Medicare-Eligible individuals. This is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.
3. Because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, which is none, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully - it explains your options.

**When Can You Join A Medicare Drug Plan?**

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> to December 7<sup>th</sup>.

If you are losing creditable prescription drug coverage you may currently have through another plan for reasons not related to Medicare eligibility, you are also eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

The Fund will reimburse you for substantiated eligible prescription drug expenses incurred by you, your spouse and your dependents.

## **When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?**

Depending on how long you go without creditable prescription drug coverage, you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 continuous days or longer without prescription drug coverage that's creditable, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

## **For More Information About This Notice Or Your Current Prescription Drug Coverage...**

Contact the department listed below for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the Edward W. Sparrow Hospital Association MNA Employees Health Reimbursement Arrangement changes. You also may request a copy of this notice at any time.

## **For More Information About Your Options Under Medicare Prescription Drug Coverage...**

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare.

You may also be contacted directly by Medicare drug plans. For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Date:	July 2023
Name of Entity/Sender:	Edward W. Sparrow Hospital Association MNA Employees Health Reimbursement Arrangement
Contact:	Fund Office
Address:	6525 Centurion Drive, Lansing, MI 48917
Phone Number:	517-321-7502

## **WOMEN'S HEALTH AND CANCER RIGHTS/NEWBORNS' AND MOTHERS' HEALTH PROTECTION NOTICE**

The **Women's Health and Cancer Rights Act of 1998** requires that all health care plans that provide medical and surgical benefits for mastectomies provide participants and beneficiaries receiving mastectomy benefits and who elect mastectomy related breast reconstruction with benefits coverage for the following:

- **Reconstruction of the breast on which the mastectomy has been performed;**
- **Surgery and reconstruction of the other breast to produce a symmetrical appearance; and**
- **Prostheses and physical complications of all stages of mastectomy, including lymph edemas, in a manner determined in consultation with the attending physician and the patient.**

Such coverage may be subject to annual deductibles and coinsurance provisions **as may be deemed appropriate and as are** consistent with those established for other benefits under the plan or coverage.

The Fund has provided reimbursement of substantiated eligible expenses for mastectomies for a number of years. As part of this coverage, the Plan also reimbursed substantiated eligible expenses the procedures necessary to effect reconstruction of the breast on which the mastectomy was performed, as well as the cost of prostheses and physical complications of all stages of mastectomy, including lymph edemas, as recommended by the attending physician of any patient receiving Plan benefits in connection with the mastectomy and in consultation with the patient. The Fund also covers costs of any surgery and reconstruction of the other breast to achieve a symmetrical appearance. Such coverage being limited to the amount of money available in your HRA Account.

Also, the **Newborns' and Mothers' Health Protection Act of 1996 (NMHPA)** generally prohibits group health plans from limiting hospital stays for childbirth to less than 48 hours for normal deliveries and 96 hours for cesarean section deliveries for a mother and her newborn child, except with consent of the mother and approval of her physician, or from requiring that a provider obtain authorization from the Plan for prescribing a length of stay not in excess of the above.

Please keep this notice with your Summary Plan Description. If you have any questions regarding these federal requirements, please contact the Fund Office at 6525 Centurion Drive, Lansing, MI 48917, Phone Number 517-321-7502.