MONTANA VEBA
HEALTH REIMBURSEMENT ACCOUNT

Montana VEBA Health Reimbursement Account

Plan Summary

January 1, 2027

Introduction

Effective January 1, 2021, the Department of Administration restated the Plan Document for the Montana VEBA HRA. This Plan Summary is restated effective January 1, 2027.

The Plan Sponsor has retained an independent Claim Administrator for plan enrollment and claims administration. If you have questions, you may contact the Claim Administrator at the toll-free number in this Plan Summary. The Claim Administrator maintains plan records and accounts.

If there is a discrepancy between this Plan Summary and the Plan Document and Trust, the Plan Document and Trust control.

Claim Administrator

Rehn & Associates
PO Box 5433
Spokane, WA 99205-0433
(800) 832-2101
Fax (509) 535-7883
montana@rehnonline.com

Plan Sponsor

State of Montana, Department of Administration
Health Care & Benefits Division
125 N Roberts St.
PO Box 200130
Helena, MT 59620-0130
(800) 287-8266 or TTY (406) 444-1421
Fax (406) 444-0080
BenefitsQuestions@mt.gov

Trustee and Investment Advisor

Washington Trust Bank
Spokane, WA 99210-2127

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Part I

Questions & Answers

What is the Montana VEBA Health Reimbursement Account?

The Montana Voluntary Employees' Beneficiary Association Health Reimbursement Account (Montana VEBA HRA) is a retirement and post-separation health reimbursement plan. After retirement, the Claim Administrator can help you set up your account, and your employer can make a tax-free contribution to your account on your behalf. Funds are held in a tax-exempt VEBA trust established under 26 IRC § 501(c)(9). You can use these tax-free funds to reimburse eligible out-of-pocket healthcare costs and premiums for yourself, your spouse, and your tax-qualified dependents.

The Montana VEBA HRA has two options, a full scope plan option and a limited scope plan option. Continue reading to determine the option best for you.

If you need additional information or an enrollment form, contact the Claim Administrator.

What is a VEBA?

A VEBA is a tax-exempt trust established under 26 IRC § 501(c)(9). The Montana VEBA HRA is a tax-free way for your:

1. Employer to help you pay for qualified health care expenses for you, your legal spouse and your tax-qualified dependents.
2. Employer to convert your accrued sick and annual leave to a tax-free contribution to your Montana VEBA HRA participant account.
3. Montana VEBA HRA account to earn additional income to spend on qualified health care expenses.

Montana VEBA HRA contributions will not be reported on your Form W-2. You do not report Montana VEBA HRA contributions, earnings, or benefit payments on your individual 1040 federal income tax form.

Do contributions reduce my State of Montana pension benefits?

- **PERS members** – potentially yes. All MPERA administered programs are eligible. If you have accrued sick or annual leave when you retire or separate from service, MPERA may increase your monthly retirement benefit by including accrued leave in the calculation of your final average salary (FAS). For State of Montana employees, the PERS calculation of your FAS compensation does NOT include your accrued sick leave. However, your accrued annual leave can be included in your FAS compensation calculation, if your Montana VEBA HRA group did NOT elect accrued annual leave as a contribution source.

- **TRS members** – potentially yes. TRS members who elect to contribute accrued sick leave at retirement to increase their TRS benefit will likely see a greater retirement benefit than if that accrued sick leave were contributed to a Montana VEBA HRA account.

You should consult with your financial advisor to determine the impact to your retirement benefits.

How do I file a claim for benefits?

If you have paid qualified health care expenses for yourself, your spouse or your tax-qualified dependent, you can submit a Montana VEBA HRA Claim Form to the Claim Administrator at the address on the first page of this Plan Summary. Contact the Claim Administrator for claim forms.

You should include proper substantiation of your expenses, such as a detailed receipt or an EOB (Explanation of Benefits) from your health insurance provider.

Claims are paid weekly. Direct deposit is available. When the balance in your participant account reaches zero, your account will be closed. No more claims will be paid if your account is closed.

What plan option is right for you?

- If you have the **full scope plan option**, eligible expenses include any healthcare expense that would qualify under 26 IRC §213(d) as a medical expense. Generally, these expenses include medical, dental, and vision expenses not reimbursed by Medicare or your health insurance, health insurance premiums, Medicare Part B and Part D premiums, Medicare supplement premiums, and tax-qualified long-term care insurance premiums. See montana.rehnonline.com or more information**.**
- If you have the **limited scope plan option**, eligible expenses are limited to dental and vision expenses not reimbursed by insurance, and premiums for dental or vision coverage.
- If you have **subsidized Exchange coverage**, premium payments for that coverage cannot be reimbursed by the Plan. If subsidized Exchange coverage is your best option for health coverage, you cannot enroll in the full scope plan option. However, you may enroll in or change your enrollment to the limited scope plan option for dental and vision expenses (including premiums).
- **If you have Exchange coverage and you waived your subsidy**, you may enroll in the full scope plan option and have your monthly premiums for Exchange coverage reimbursed by the Montana VEBA HRA.
- **If you are retired and you have health insurance through your working spouse** and your spouse pays those premiums pre-tax through a cafeteria plan, or you are working elsewhere and have health insurance through that job, you must enroll in or change your enrollment to the limited scope plan option for dental and vision expenses (including premiums). You are not eligible for the full scope option.

For more information and to elect or change your plan option, contact the Claim Administrator.

Whose expenses are eligible?

Expenses incurred after your retirement or separation date by you, your legal spouse and your tax-qualified dependents. Under 26 IRC §105(b), a tax-qualified dependent includes any child who has not, as of the end of the taxable year, turned 27. See IRS Publication 502, available at irs.gov for more information.

Can my Montana VEBA HRA account automatically reimburse my insurance premiums?

Yes. You can obtain reimbursement from your Montana VEBA HRA account by completing the Systematic Premium Reimbursement Form. Contact the Claim Administrator to get the form. The Claim Administrator can mail a check to you. You may also receive reimbursement through monthly direct deposits to your bank account.

What is a health savings account (HSA)? Can I contribute to an HSA if I have a Montana VEBA HRA account?

HSAs are a tax-favored medical savings account (your Montana VEBA HRA is not an HSA). For more information, see Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans at irs.gov.

You can contribute to an HSA up until the date you retire. After retirement, you cannot contribute to an HSA, but you may use an HSA and the Montana VEBA HRA for your qualified health care expenses – with certain limitations.

If you have an HSA or are eligible to have expenses reimbursed through an HSA, you must be enrolled in the limited scope plan option for the Montana VEBA HRA until your HSA account has a zero balance. After you use all your HSA account funds, you can change your enrollment to the full scope plan option.

For more information, contact the Claim Administrator.

Can I use my Montana VEBA HRA account if I go back to work for my employer?

Yes, but you must choose the limited scope plan option.

What happens if you (the participant) dies?

If you die with funds left in your participant account, your surviving spouse and children (if they were your tax qualified dependents), may use those funds to pay for qualified health care expenses that you incurred before your death until funds are exhausted. They may also use the funds to reimburse their qualified healthcare expenses until funds are exhausted. Contact the Claim Administrator for more information and instructions on how to submit a claim for reimbursement.

Will I receive a statement for my account?

Yes. You will receive semi-annual statements (in January and July) detailing all activity in your account. You may also contact the Claim Administrator to request additional statements at any time.

Can I view my account information online?

Yes. After you have a participant account, you may login to your account at montana.rehnonline.com to view your personal account information including account balance, detailed account activity, investment fund allocation, and to change your fund allocations or your address. Additional account login information and assistance is available from the Claim Administrator.

What expenses does the Montana VEBA HRA have and how are they paid?

Plan administration expenses include costs for claims processing activities, preparing, and issuing statements, legal fees, consulting fees, participant education, trustee fees, printing, postage, investment management, auditing, mail service, custodial and banking services. Plan expenses are paid by plan participants as a monthly fee. Investment advisor fees vary based upon the fund(s) selected and are listed on the Investment Fund Overview. Plan administration and investment advisor fees may change at the discretion of the State of Montana, Department of Administration. The State of Montana does not receive any financial benefit from the Montana VEBA HRA Plan.

Who is responsible for administration of the Montana VEBA HRA?

The Health Care & Benefits Division of the Department of Administration performs on-going management of the Plan. The Department of Administration contracts with various service providers to assist with plan administration.

Who is the Trustee of the Plan?

Washington Trust Bank in Spokane, Washington is the Trustee of the Montana VEBA HRA Plan. The Trustee safeguards the plan assets and advises the Department of Administration on the investment funds available to plan participants.

Where do I get more information?

For information on your account, investment options, submitting claims, and enrollment forms, contact the **Claim Administrator**:

Rehn & Associates
PO Box 5433
Spokane, WA 99205-0433
1-800-VEBA101 (832-2101)
(509) 535-7883 (fax)
montana@rehnonline.com

For general information, contact the **Plan Sponsor**:

State of Montana
Department of Administration
Health Care & Benefits Division
125 N Robert St.
PO Box 200130
Helena, MT 59620-0130
(800) 287-8266
(406) 444-1421 TTY
(406) 444-0080 (fax)
benefitsquestions@mt.gov (use subject line – Montana VEBA HRA)

What if my contact information or health insurance premium changes?

Contact the Claim Administrator immediately if your address, name, or health insurance premium change.

Part II

Plan Information

Plan Name

The name of the plan is the State of Montana Voluntary Employees' Beneficiary Association Health Benefit Plan.

The plan may also be referred to as the Montana Voluntary Employees' Beneficiary Association Health Reimbursement Account or the Montana VEBA HRA.

Plan Benefits

This Plan Summary, together with the Plan Document and the Trust Entity Agreement form the Plan and describe the benefits available to plan participants.

Plan Effective Date

This plan was established January 1, 2003, by the State of Montana. The Plan Document was restated, effective January 1, 2021.

Plan Year

The plan year begins each January 1st and ends each December 31st.

Plan Administrator

The Plan Administrator is the Plan Sponsor, which is the State of Montana, Department of Administration.

Named Fiduciary

State of Montana
Department of Administration
Health Care & Benefits Division
125 N Roberts St.
PO Box 200130
Helena, MT 59620-0130

Named Trustee

Washington Trust Bank
Attn: Wealth Management and Advisory Services
717 W Sprague Avenue
PO Box 2127
Spokane, WA 99210-2127

Claim Administrator

Rehn & Associates
PO Box 5433
Spokane, WA 99205-0433

Agent for Service of Legal Process

The Plan's agent for service of legal process is the State of Montana, Department of Administration.

Plan Funding

This plan is funded entirely by contributions from the participating employers.

Plan Termination

The Plan Sponsor reserves the right to terminate, suspend, withdraw, amend, or modify the plan in whole or in part at any time.

Participant Accounts

Participant accounts are 100% vested at the time of the contribution by the participating employer. Participant accounts will close when the account balance reaches zero.

Plan Identification Number

EIN: 71-0900343

Part III

Claims Appeal Procedure

If your claim is denied in whole or in part, you will receive written notice of the denial from the Claim Administrator. An explanation of benefits (EOB) will be provided to show:

- Sufficient information to identify the claim involved (date of service, claim amount);
- The reason for the claim denial;
- Reference to the specific plan provision and/or IRS rule on which the claim denial was based;
- If additional information is necessary to make a determination on your claim, a description of the additional information needed and reasons why; and
- An explanation of your right to appeal the claim denial for a full and fair review and to bring a civil action following the denial of the appeal.

In most cases, you should receive the EOB within 30 days of the Claim Administrator's receipt of your claim form.

If you do not understand the reason for a claim denial, you should contact the Claim Administrator at the address or telephone number on the cover page of this Plan Summary or the EOB.

You must appeal the denial before you can exercise your right to bring a civil action. This Plan provides two levels of appeal review. You must exercise both levels of review before bringing a civil action.

First Level of Review

- If your claim is denied, you (or your authorized representative) may appeal the denial in writing to the Claim Administrator. You have 180 days from the date you receive written notification of your denial to submit an appeal. You will have the right to review your claim file. You should state in writing, the reasons you disagree with the denial. You may also include any additional information you believe supports your appeal. Your appeal and additional documentation, if any, should be submitted to the Claim Administrator at the address on the cover page of this Plan Summary.
- The Claim Administrator will review your appeal and additional documentation and provide you with a written response within 30 days of receipt of your appeal.
- If, based on the Claim Administrator's review, the denial is upheld, you may initiate the process for a second level of review of your claim denial.

Second Level of Review

- If your first level appeal is denied, you (or your authorized representative) may appeal in writing to the Claim Administrator. You have 60 days from the date you receive written notification of your denial to

submit an appeal. The appeal submission process mirrors the process used for the first level of review: 1) state in writing, the reasons you disagree with the denial, and 2) include any additional information you believe supports your appeal. Your appeal and additional documentation, if any, should be submitted to the Claim Administrator at the address on the cover page of this Plan Summary.

- For the second level of review, the Plan Administrator (Health Care & Benefits Division, Department of Administration) will review your appeal and additional documentation and provide you with a written response within 30 days of receipt of your appeal.

Other

- If more time or information is needed to make a determination on an appeal, the Claim Administrator or Plan Administrator, as applicable, will request in writing, an extension of up to 15 days and specify what additional information is necessary to make a determination.
- You may request, free of charge, claim information and copies of any relevant documents used to make the determination on your claim or appeal, as applicable.
- If new information is considered, relied upon or generated in connection with the appeal review, the Claim Administrator or Plan Administrator will provide you with this information, free of charge and sufficiently in advance of the determination on your appeal, so you have an opportunity to respond.

Part IV

Investment Fund Information

General Information

You may choose from the investment funds listed on the Enrollment Form. You may have your Montana VEBA HRA funds invested in any combination of the listed investment funds, and you may change your investment allocations as often as monthly.

An Investment Fund Overview with investment result history and fund objectives is available for each investment fund option. You may also view up-to-date fund fact sheets and prospectuses on each fund's website. Website addresses are listed on the Investment Fund Overview.

Investment Risk

Stock, bond, and asset allocation funds are not guaranteed and will fluctuate in value monthly. Benefit withdrawals from these types of funds may be worth more or less than your original deposit.

You should periodically review your investment fund choice(s). Should your objectives change, you may reevaluate your fund selection(s) and notify the Claim Administrator of any changes no more than once per month.

Remember that investment returns, particularly over shorter time horizons, are highly dependent on trends in various investment markets. Thus, stock, bond, or asset allocation investments are suitable primarily as longer-term investments and not for short-term investing. You may wish to select money market funds if your goal is to preserve capital.

Using Multiple Funds

You may have your Montana VEBA HRA allocated to any combination of the available funds.

Transfers

You may transfer your account funds among funds monthly. Transfers are effective the first business day of each month. The Claim Administrator must receive transfer requests by the 25th of the month to be effective on the first business day of the following month.

Withdrawals

If you have multiple funds, benefit withdrawals (claims) made from your account will be prorated based on your fund allocation percentage on file with the Claim Administrator, unless you request otherwise in writing.

Investment Advice

Participants are encouraged to seek advice regarding investing their account funds from their personal financial advisor. The Trustee and Claim Administrator do not give investment advice.

Investment Expense

Expenses are calculated as a percent of assets on an annualized basis and are deducted monthly from investment earnings, or if there are no earnings, from participant account balances.

Part V

COBRA General Notice

General Information

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) is a federal law that provides you and other family members covered by this Plan with the right to continue coverage for a specified period when coverage would otherwise end because of a life event called a “qualifying event”.

After a qualifying event, COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.”

COBRA continuation coverage must begin on the day coverage would otherwise end; no lapse in coverage is permitted.

Qualified beneficiaries electing COBRA continuation coverage must pay a monthly premium for such coverage. An administrative fee of 2% will be added to the premium.

Qualifying Events

Spouse. If you are the legal spouse of a Plan participant, you will become a qualified beneficiary if you lose coverage under the Plan as a result of your divorce or legal separation from the participant. For more information, contact the Claim Administrator.

Tax-qualified Dependents. Children of a Plan participant will become qualified beneficiaries if coverage under the Plan is lost due to: (1) divorce or legal separation of the participant and spouse; or (2) the child no longer meets the definition of a tax qualifying child.

Notice of Qualifying Event

A participant must notify the Claim Administrator within 60 days of the date of the qualifying event, with the Notice of COBRA Qualifying Event form.

The participant should submit a completed form to the Claim Administrator at the address on the cover page of this book. The participant should include a copy of the divorce decree or decree of legal separation to the Claim Administrator if the qualifying event is divorce or legal separation. If mailed to the Claim Administrator, the completed form must be post-marked on or before the 60th day following the qualifying event for the qualified beneficiary to receive an opportunity to elect COBRA coverage.

COBRA Coverage Period

The COBRA coverage period is the maximum period of time during which a qualified beneficiary may continue coverage under COBRA. COBRA continuation coverage can last the earlier of 36 months or the date that the coverage amount is exhausted.

Information Resources

Questions concerning your COBRA continuation coverage under this Plan (including the cost of such coverage and when payments are due) should be directed to the Claim Administrator.

You may visit dol.gov/ebsa for more information or to locate a U.S. Department of Labor Employee Benefits Security Administration (EBSA) office near you.

Part VI

Privacy Notice

Your Rights

When it comes to your health information, you have certain rights. This section explains your rights and some of our responsibilities to you.

Get a copy of health and claim records

You can ask to see or get a copy of your health and claims records and other health information we have about you. Contact the Claim Administrator to find out how to do this.
We will provide a copy or summary of your health and claims records, usually within 30 days of your request. We may charge a reasonable, cost-based fee.

Ask us to correct health and claims records

You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Contact the Claim Administrator to find out how to do this.
We may say "no" to your request, but we will tell you why in writing within 60 days.

Request confidential communications

You can ask us to contact you in a specific way (for example, home or cell phone) or to send mail to a different address.
We will consider all reasonable requests and must say "yes" if you tell us, you would be in danger if we do not.

Ask us to limit what we use or share

You can ask us not to use or share certain health information for treatment, payment, or our operations. We are not required to agree to your request, and we may say "no" if it would affect your care.

Get a list of those with whom we have shared information

You can ask for a list (accounting) of the times we've shared your health information for six years prior to the date you ask, who we shared it with, and why.

We will include all disclosures except those about treatment, payment, and healthcare operations, and certain other disclosures (such as any you ask us to make). We'll provide one accounting a year for free but may charge a reasonable, cost-based fee if you ask for another one within 12 months.

Get a copy of the privacy notice

You can ask for a paper copy of the privacy notice at any time, even if you have agreed to receive the notice electronically. Contact the Claim Administrator to request a paper copy.

Choose someone to act for you

If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.
We will make sure the person has this authority and can act for you before we take any action.

File a complaint if you feel your rights are violated

You can file a complaint by contacting the Claim Administrator at the address on the first page of this Plan Summary.

You can file a complaint with the US Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or visiting hhs.gov/ocr/privacy/hipaa/complaints.

Your choices

For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

You have both the right and choice to tell us to share information with your family, close friends, or others involved in payment for your care.

If you are not able to tell us your preference, for example if you are unconscious, we decide to share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to your health or safety.

We never share your information unless you give us written permission to do so for marketing purposes. We will never sell your personal health information.
For more information, contact the Claim Administrator with the information on the first page of this Plan Summary.

Our Uses and Disclosures

How do we typically use or share your health information?

We typically use or share your health information in the following ways.

Help manage the health care treatment you receive

We can use your health information and share it with professionals treating you.

- Example: A doctor requests information about your coverage from us so he can arrange additional services.

Run our organization

We can use and disclose your information to run our organization and contact you when necessary.

We are not allowed to use genetic information to decide whether we will give you coverage or to set the price of that coverage.

- Example: We use health information about you to develop better services for you.

Pay for your health services

We can use and disclose your health information as we pay for your health services.

- Example: We share information about you with your health insurer to coordinate reimbursement for your health or dental insurance.

Administer your plan

We may disclose your health information for plan administration.

- Example: The Health Care & Benefits Division exchanges your personal health information with the Claim Administrator to answer your appeal if your claim was denied and you submit an appeal to the Claim Administrator for that denial.

How else can we use or share your health information?

We are permitted or required to share your information in other ways – such as for public health and research. We must meet certain conditions before we can share your information for these purposes. For more information, contact the Claim Administrator with the information on the first page of this Plan Summary.

Help with public health and safety issues

We can share health information about you for certain situations such as:

- Preventing disease
- Helping with product recalls
- Reporting adverse reactions to medications
- Reporting suspected abuse, neglect, or domestic violence
- Preventing or reducing a serious threat to anyone's health or safety.

Do research

We can use or share your information for health research.

Comply with the law

We will share information about you if state or federal laws require that we disclose your personal health information to determine our compliance with state or federal privacy laws.

Respond to organ and tissue donation requests and work with a medical examiner or funeral director

We can share health information about you with organ procurement organizations.

We can share health information with a coroner, medical examiner, or funeral director when a participant dies.

Address workers' compensation, law enforcement, and other government requests

We can use or share health information about you:

- For workers compensation claims
- For law enforcement purposes or with a law enforcement official
- With certain health oversight agencies authorized by law
- For special government functions such as military, national security, and presidential protective services

Respond to lawsuits and legal actions

We can share health information about you to respond to a court or administrative order, or to a subpoena for information.

Our Responsibilities

We are required by law to maintain the privacy and security of your protected health information.
We will let you know promptly if a breach occurs that may have compromised the privacy or security of your information.
We must follow the duties and privacy practices described in this notice and give you a copy of it.
We will not use or share your information other than as described here unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. You must tell us in writing if you change your mind.
Contact the Claim Administrator with the information on the first page of this Plan Summary if you want more information.

Changes to the Terms of this Notice

We can change the terms of this notice, and the changes will apply to all information we have about you. The new notice will be available upon request, on our (Claim Administrator's) website, and we will mail a copy to you.