

IMPORTANT INFORMATION ABOUT YOUR COBRA CONTINUATION COVERAGE RIGHTS

What is continuation coverage?

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan. Depending on the type of qualifying event, “qualified beneficiaries” can include the employee (or retired employee) covered under the group health plan, the covered employee’s spouse, and the dependent children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including special enrollment rights (ex., open enrollment).

Are there other coverage options besides COBRA Continuation Coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse’s plan) through what is called a “special enrollment period.” Some of these options may cost less than COBRA continuation coverage.

You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible.

When you lose job-based health coverage, it’s important that you choose carefully between COBRA continuation coverage and other coverage options, because once you’ve made your choice, it can be difficult or impossible to switch to another coverage option.

How long will continuation coverage last?

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued for up to a total of 18 months. In the case of losses of coverage due to an employee’s death, divorce or legal separation, the employee’s becoming entitled to Medicare benefits or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee’s work hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. This notice shows the maximum period of continuation coverage available to the qualified beneficiaries.

Continuation coverage will be terminated before the end of the maximum period if:

- Any required premium is not paid in full on time,
- A qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary,(note: there are limitations on plans’ imposing a preexisting condition exclusion and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act),
- A covered employee becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
- The employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of participant or beneficiary not receiving continuation coverage (such as fraud).

If you are eligible for less than 36 months of coverage, you may become eligible for an extended period of coverage. Please read the following section to see if you qualify.

How can you extend the length of COBRA continuation coverage?

If you elect continuation coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify RCUH of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

For more information about extending the length of COBRA continuation coverage visit <http://www.dol.gov/ebsa/publications/cobraemployee.html>.

Disability

An 11-month extension of coverage may be available if any of the qualified beneficiaries is determined by the Social Security Administration (SSA) to be disabled. The disability has to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. You must notify RCUH in writing within 60 days of the later of (i) the qualifying event, (ii) the disability determination, or (iii) the date on which you would otherwise lose your coverage. The notice must indicate the name of the affected individual, the date of the qualifying event, and include a copy of the Social Security Administration's decision. Each qualified beneficiary who has elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined by the SSA to no longer be disabled, you must notify RCUH of that fact within 30 days after SSA's determination.

Second qualifying event

An 18-month extension of coverage will be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months. Such second qualifying events may include the death of a covered employee, divorce or separation from the covered employee, the covered employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the Plan if the first qualifying event had not occurred. You must notify the Plan within 60 days after a second qualifying event occurs if you want to extend your continuation coverage.

How can you elect COBRA continuation coverage?

To elect continuation coverage, you must complete the Election Form and furnish it according to the directions on the form. Each qualified beneficiary has a separate right to elect continuation coverage. For example, the employee's spouse may elect continuation coverage event if the employee does not. Continuation coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries. A parent may elect to continuation coverage on behalf of any dependent children. The employee or the employee's spouse can elect continuation coverage on behalf of all of the qualified beneficiaries.

In considering whether to elect continuation coverage, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

How much does COBRA continuation coverage cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described in this notice.

Other coverage options may cost less. If you choose to elect continuation coverage, you don't have to send any payment with the Election Form. Additional information about payment will be provided to you after the election form is received by the Plan. Important information about paying your premium can be found at the end of this notice.

When and how must payment for COBRA continuation coverage be made?

First payment for continuation coverage

If you elect continuation coverage, you do not have to send any payment with the election form. However, you must make your first payment for continuation coverage not later than 45 days after the date of your election. (This is the date the election notice is post-marked, if mailed). If you do not make your first payment for continuation coverage in full within 45 days after the date of your election, you will lose all continuation coverage rights under the Plan. You are responsible for making sure that the amount of your first payment is correct. You may contact RCUH to confirm the correct amount of your first payment.

Periodic payments for continuation coverage

After you make your first payment for continuation coverage, you will be required to make periodic payments for each subsequent coverage period. The amount due for each coverage period for each qualified beneficiary is shown in this notice. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for continuation coverage is due on the first of each month. If you make a periodic payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue for that coverage period without any break. The Plan will send periodic notices of payments due for these coverage periods.

Grace periods for periodic payments

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days after the first day of the coverage period to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. However, if you pay a periodic payment later than the first day of the coverage period to which it applies, but before the end of the grace period for the coverage period, your coverage under the Plan will be suspended as on the first day of the coverage period and then retroactively reinstated (going back to the first day of the coverage period) when the periodic payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you fail to make a periodic payment before the end of the grace period for that coverage period, you will lose all rights to continuation coverage under the Plan. Your first payment and all periodic payments for continuation coverage should be sent to the respective carrier(s) listed below:

Carrier	Contact Person/Dept.	Address (Send Payment to:)	Inquiries
HMSA PPO, CompMed Basic, HPH Plus Group # 68999-1-8 CompMed, HPH Basic Group # 96483-1-2	Customer Service	<i>First payment only, send to:</i> HMSA P.O. Box 4720 Honolulu, HI 96812	(808) 948-6111 Fax: 948-6614
		<i>Periodic payments, send to:</i> HMSA P.O. Box 29200 Honolulu, HI 96820-1600	(808) 948-6111 Fax: 948-6614
Kaiser Permanente Plan A Group # 00367-001 Plan B Group # 00367-002	COBRA Billing Dept.	Kaiser Permanente P.O. Box 30820 Honolulu, HI 96820-0280	(808) 432-5955 Fax: 432-5300
Hawai'i Dental Service Group # 1989	COBRA Department	Hawai'i Dental Service 700 Bishop Street, Suite 700 Honolulu, HI 96813-4196	(808) 529-9285 Fax: 529-9343

You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. You can learn more about the Marketplace below.

What is the Health Insurance Marketplace?

The Marketplace offers “one-stop shopping” to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and costsharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you’ll also learn if you qualify for free or low-cost coverage from Medicaid or the Children’s Health Insurance Program (CHIP). You can access the Marketplace for your state at www.HealthCare.gov.

Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA continuation coverage won’t limit your eligibility for coverage or for a tax credit through the Marketplace.

When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a “special enrollment” event. **After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away.** In addition, during what is called an “open enrollment” period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.HealthCare.gov.

If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a “special enrollment period.” But be careful though - if you terminate your COBRA continuation coverage early without another qualifying event, you’ll have to wait to enroll in Marketplace coverage until the next open enrollment period, and could end up without any health coverage in the interim.

Once you’ve exhausted your COBRA continuation coverage and the coverage expires, you’ll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse’s plan or through the Marketplace, may be less expensive.
- **Provider Networks:** If you’re currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- **Drug Formularies:** If you’re currently taking medication, a change in your health coverage may affect your costs for medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.

- **Service Areas:** Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

Flexible Spending Accounts – Healthcare Reimbursement

Please note that if you decide to **NOT** continue your Healthcare Expense Reimbursement account, you have **90 days** from the end of your plan to submit claims for expenses sought while you were a participant. If after the ninety (90) days, the reimbursement forms and applicable supporting documentation are not submitted to the insurance carrier, the employee will forfeit all rights to that money and the money shall remain the property of the RCUH. **There is NO exception to this rule.**

For more information

This notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from RCUH. If you have any questions concerning the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, you should contact your RCUH at the phone number or address indicated at the beginning of this notice. For more information about your rights under COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at www.dol.gov/ebsa or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through a Health Insurance Marketplace, and to locate an assister in your area who you can talk to about the different options, visit www.healthcare.gov.

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 approximately four minutes per respondent. 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 and reference the OMB Control Number 1210-0123. OMB Control Number 1210-0123 (expires 09/30/2013)

Final Notes

1. **ADDRESS CHANGES:** In order to protect your and your family's rights, you should keep RCUH informed of any changes in your address and the addresses of family members via [Employee Self Service](#). You should also keep a copy, for your records, of any notices you send to RCUH.
2. **COBRA EFFECTIVE DATE:** COBRA is a **CONTINUATION** of coverage to be effective from the first day that you lost your health coverage under the RCUH group health plan(s). Although you have 60 days to elect in COBRA, you will be responsible for paying for COBRA premiums from the first month you lost your group health plan coverage (i.e., continuation of coverage). For example, if your coverage ends on January 31, 2022 (COBRA effective February 1, 2022), you have 60 days from the date of the COBRA notice or the date you lost coverage (whichever is later), to elect in COBRA. If you submit your forms on April 1st (60th day), we will process your COBRA enrollment request;

however, you will still be responsible for paying the vendor the monthly COBRA premiums (i.e., 102% of the monthly premiums) for the months of February and March and will probably be required to pre-pay for April. This is regardless of whether you sought services or not during February or March.

Although you have 45 days to make your first payment, your COBRA enrollment will not be finalized until the insurance carrier has received and processed your first payment. You should allow the insurance carrier approximately 5-7 business days to process your payments once received. Until your COBRA enrollment has been finalized, you may be required to pay out-of-pocket for services, prescriptions, etc. until your first payment has been received and processed by the insurance carrier. Additionally, once your COBRA enrollment has been finalized, you will be responsible for requesting a reimbursement for any services/prescriptions that you paid out-of-pocket for, with the insurance carriers directly.

3. **RE-ENROLLMENT PROCESS FOR CANCELLATIONS DUE TO “LEAVE OF ABSENCE” or “NOT ENOUGH EARNINGS”:** If eligible, you will be automatically re-enrolled into the Group Long-Term Care, Group Long-Term Disability, and Group Life Insurance plans effective the 1st of the month following your return to work. However, **re-enrollment into the RCUH Group Medical/Dental plans is NOT automatic.** See below for instructions.

Please complete the [RCUH Group Health Enrollment/Change Form \(Form B-5H\)](#) upon return to work to re-enroll in your insurance coverage. This form is available for download under [RCUH Policy 3.520 Health Plans](#) on our website at www.rcuh.com. Upon receipt, RCUH HR will reinstate your benefits effective the 1st of the following month after your return to work if received prior to the 20th of the month. Note: If we are unable to deduct your portion of the monthly health premiums, your re-enrollment will be postponed to the following month.

You may submit your Group Health Enrollment Form via:

Employee Self-Service eUpload (preferred)

Email: rcuh_benefits@rcuh.com

Mail: RCUH Human Resources
1601 East West Road, 4th Floor Makai Wing
Honolulu, HI 96848

Fax: (808) 956-9423

Please note that you have **30 days upon your return to work** to submit the RCUH Group Health Enrollment/Change Form (Form B-5H) to our office. If our office does not receive the completed form, your enrollment will be **DENIED** and you will be required to wait until our Annual Open Enrollment period to reinstate your coverage (Open Enrollment begins April/May, with changes effective July 1). In order to not experience a break in coverage, your re-enrollment form must be received by our office no later than the 20th of the month prior to coverage month.

If you have any questions about your rights to COBRA continuation coverage, please contact RCUH Human Resources, Employee Benefits Section as indicated below:

Employer Group/Plan Administrator: Research Corporation of the University of Hawai‘i (RCUH)

Contact: RCUH Human Resources Department
Employee Benefits Section
Address: John A. Burns Hall, 4th Floor, Makai Wing
1601 East-West Road
Honolulu, HI 96848
Phone Number: (808) 956-3100
Email Address: rcuh_benefits@rcuh.com
Fax Number: (808) 956-9423