

Sacramento Independent Hotel, Restaurant and Tavern Employees Trust Funds

April 2023

TO: All Participants of the SIHRTE Welfare Plan

FROM: The SIHRTE Welfare Plan Board of Trustees

RE: **Important Notice Preparing for End of Public Health Emergency
(COVID-19 Coverage)**

Recently, President Biden and the Department of Health and Human Services announced that they intend to end the public national health emergency (“PHE”) at the end of the day on **May 11, 2023**. In anticipation of the end of the PHE, we are providing you with this Important Notice regarding COVID-19 testing, vaccination and treatment and the end of the temporary emergency relief for certain COBRA election, special enrollment and claims and appeals deadlines, that may or may not impact you and your family after May 11, 2023.

L END OF PUBLIC HEALTH EMERGENCY PERIOD (COVID-19 COVERAGE EXTENSION)

Please note the SIHRTE Welfare Plan is both self-funded under the self-funded indemnity Plan and also has a fully-insured component with: (1) Kaiser Permanente and (2) Western Health Advantage (“WHA”). As required by California law (SB 1473) fully-insured group health plans, such as Kaiser and WHA are required to continue to provide and covered at \$0 cost-share COVID-19 vaccines, testing and treatment for the next six (6) months, after May 11, 2023, (meaning until November 11, 2023). As for the Self-funded Indemnity Plan with Aetna, COVID-19 vaccines, testing and treatment will continue to be covered at no change to you and your eligible family members until the end of the year December 31, 2023.

FOR SELF-FUNDED INDEMNITY PLAN ENROLLEES (Beginning May 12, 2023 through December 31, 2023)

- **COVID-19 vaccines (including boosters)** will be covered under preventive benefits at \$0 cost-share and no prior authorization at any location.
- **COVID-19 PCR testing** will be covered as lab benefit at \$0 cost-share including rapid diagnostic and swab-and-send tests, at in-network locations.
- **COVID-19 over-the-counter (OTC) antigen tests** will continue to give up to 8 home antigen tests per month at \$0 cost share if obtained at pharmacy or with a post-service reimbursement claim.
- **COVID-19 anti-viral medications or treatment like Paxlovid** will continue to be covered at \$0 cost-share and members pay normal cost sharing for EUA-approved monoclonal antibody treatments.
- **COVID-19 Telehealth/medicine and remote care service for** medically necessary services including covered behavioral/mental health care will continue to be covered through December 31, 2023. If this is further extended or terminated you will be notified.

FOR KAISER ENROLLEES (Beginning May 12, 2023 through November 11, 2023)

Pursuant to Kaiser's website, at this time your cost and coverage remain unchanged. However, Kaiser is reviewing how the end of the federal public health emergency, as well as state regulatory requirements, may affect how COVID-19 coverage is provided and covered.

- **COVID-19 vaccines** will be covered under preventive benefits at \$0 cost-share and no prior authorization at Kaiser facilities.
- **COVID-19 PCR testing** will be covered under the outpatient diagnostic lab benefit at \$0 cost-share.
- **COVID-19 over-the-counter (OTC) antigen tests** will continue to give Kaiser members up to 8 home antigen tests per month which can be ordered through kp.org or picked up at Kaiser pharmacy locations.
- **COVID-19 treatment** will be covered at \$0 cost-share.
- **After this six-month extension expires**, only COVID-19 vaccines will continue to be covered in-network at no member cost-share since the Plan is Non-Grandfathered.

For more information, please visit Kaiser's website at: <https://healthy.kaiserpermanente.org/northern-california/health-wellness/coronavirus-information>.

FOR WHA ENROLLEES (Beginning May 12, 2023 through November 11, 2023)

- **COVID-19 vaccines** will be covered under preventive benefits at \$0 cost-share and no prior authorization at WHA facilities.
- **COVID-19 PCR testing** will be covered as a diagnostic testing at \$0 cost-share WHA facilities.
- **COVID-19 over-the-counter (OTC) antigen tests** will continue to reimburse WHA members up to 8 home antigen testing kits per month.
- **COVID-19 treatment** including coverage of therapeutics will be covered at \$0 cost-share at both in-network and out-of-network facilities.
- **After this six-month extension expires**, only COVID-19 vaccines will continue to be covered in-network at no member cost-share since the Plan is Non-Grandfathered.

For more information, please visit WHA's website at <https://www.westernhealth.com/coronavirus/>.

If you have any specific COVID-19 coverage and cost-sharing questions, please direct them to Kaiser, WHA or the Trust Fund Office depending on the medical option you and your family members are currently enrolled in.

II. END OF TEMPORARY OUTBREAK PERIOD RELIEF OF CERTAIN COBRA, SPECIAL ENROLLMENT AND CLAIMS & APPEALS & EXTERNAL REVIEW DEADLINES

As a reminder, back in May 4, 2020, the Internal Revenue Service and Department of Labor jointly adopted an emergency regulation that temporarily extended certain COBRA election, COBRA payment, special

enrollment, and claims and appeals deadlines during the COVID-19 “Outbreak Period.” The Outbreak Period is defined as the period between March 1, 2020 and the date that is sixty (60) days following the announced end of the “National Emergency.”

Group Health plans (such as the **SIHRTE Welfare Plan**) (hereinafter referred to as “the Plan”) were required to disregard the Outbreak Period when determining deadlines (in other words extend deadlines) for the following periods and dates:

- (1) the 60-day election period for electing COBRA continuation coverage,
- (2) date for making payment of COBRA premiums,
- (3) date for providing COBRA election notice,
- (4) date for notifying the Plan of a Qualifying Event that is a divorce, separation, loss of dependent status or a disability,
- (5) date for filing a claims and/or appeal of an adverse benefit determination under the Plan’s claims procedure including external review (if applicable); and
- (6) 30-day period (or 60-day period if applicable) to request special enrollment in certain circumstances.

What that means is that any original deadlines for electing COBRA, making COBRA premium payments and notifying the Plan of a Qualifying Event for Special Enrollment would not begin to run until the earlier of one year from the date an individual first became eligible for an extended deadline or the end of the Outbreak Period. But, the disregarded period cannot exceed one (1) year. **Legislation was recently passed to end the COVID-19 “National emergency” as of April 10, 2023 that means the Outbreak Period will end 60 days after that which is June 9, 2023. As of June 9, 2023, the temporary extensions under the emergency relief for timeframes that began during the national emergency will no longer apply. NOTE: Certain individuals may have been entitled to this relief on an individualized basis but the relief does not apply in every situation.**

The following examples recently released by the federal governments show how these rules work. Please note these are just examples and not specific to your situation.

Example 1 (Electing COBRA)

Facts: Individual A works for Employer X and participates in Employer X’s group health plan. Individual A experiences a qualifying event for COBRA purposes and loses coverage on April 1, 2023. Individual A is eligible to elect COBRA coverage under Employer X’s plan and is provided a COBRA election notice on May 1, 2023.

What is the deadline for Individual A to elect COBRA?

Conclusion: The last day of Individual A’s COBRA election period is 60 days after June 9, 2023 (the end of the Outbreak Period), which is August 8, 2023.

Example 2 (Electing COBRA)

Facts: Same facts as Example 1, except the qualifying event and loss of coverage occur on May 12, 2023, and Individual A is eligible to elect COBRA coverage under Employer X’s plan and is provided a COBRA election notice on May 15, 2023.

What is the deadline for Individual A to elect COBRA?

Conclusion: Because the qualifying event occurred on May 12, 2023, after the end of the COVID-19 National Emergency but during the Outbreak Period, the extensions under the emergency relief notices still apply. The last day of Individual A's COBRA election period is 60 days after June 9, 2023 (the end of the Outbreak Period), which is August 8, 2023.

Example 3 (Electing COBRA)

Facts: Same facts as Example 1, except the qualifying event and loss of coverage occur on July 12, 2023, and Individual A is eligible to elect COBRA coverage under Employer X's plan and is provided a COBRA election notice on July 15, 2023.

What is the deadline for Individual A to elect COBRA?

Conclusion: Because the qualifying event occurred on July 12, 2023, after the end of both the COVID-19 National Emergency and the Outbreak Period, the extensions under the emergency relief notices do not apply. The last day of Individual A's COBRA election period is 60 days after July 15, 2023, which is September 13, 2023.

Example 4 (Paying COBRA Premiums)

Facts: Individual B participates in Employer Y's group health plan. Individual B has a qualifying event and receives a COBRA election notice on October 1, 2022. Individual B elects COBRA continuation coverage on October 15, 2022, retroactive to October 1, 2022.

When must Individual B make the initial COBRA premium payment and subsequent monthly COBRA premium payments?

Conclusion: Individual B has until 45 days after June 9, 2023 (the end of the Outbreak Period), which is July 24, 2023, to make the initial COBRA premium payment. The initial COBRA premium payment would include the monthly premium payments for October 2022 through June 2023. The premium payment for July 2023 must be paid by July 30, 2023 (the last day of the 30-day grace period for the July 2023 premium payment). Subsequent monthly COBRA premium payments would be due the first of each month, subject to a 30-day grace period.

Example 5 (Special Enrollment Period)

Facts: Individual C works for Employer Z. Individual C is eligible for Employer Z's group health plan, but previously declined participation. On April 1, 2023, Individual C gave birth and would like to enroll herself and the child in Employer Z's plan. However, open enrollment does not begin until November 15, 2023.

When may Individual C exercise her special enrollment rights?

Conclusion: Individual C and her child qualify for special enrollment in Employer Z's plan as early as the date of the child's birth, April 1, 2023. Individual C may exercise her special enrollment rights for herself and her child until 30 days after June 9, 2023 (the end of the Outbreak Period), which is July 9, 2023, as long as she pays the premiums for the period of coverage after the birth.

Example 6 (Special Enrollment Period)

Facts: Same facts as Example 5, except that Individual C gave birth on May 12, 2023.

When may Individual C exercise her special enrollment rights?

Conclusion: Individual C and her child qualify for special enrollment in Employer Z's plan as of the date of the child's birth, May 12, 2023. Because Individual C became eligible for special enrollment on May 12, 2023, after the end of the COVID-19 National Emergency but during the Outbreak Period, the extensions under the emergency relief notices still apply. Individual C may exercise her special enrollment rights for herself and her child until 30 days after June 9, 2023 (the end of the Outbreak Period), which is July 9, 2023, as long as she pays the premiums for the period of coverage after the birth.

Example 7 (Special Enrollment Period)

Facts: Same facts as Example 5, except that Individual C gave birth on July 12, 2023.

When may Individual C exercise her special enrollment rights?

Conclusion: Individual C and her child qualify for special enrollment in Employer Z's plan as of the date of the child's birth, July 12, 2023. Because Individual C became eligible for special enrollment on July 12, 2023, after the end of both the COVID-19 National Emergency and the Outbreak Period, the extensions under the emergency relief notices do not apply. Individual C may exercise her special enrollment rights for herself and her child until 30 days after July 12, 2023, which is August 11, 2023, as long as she pays the premiums for the period of coverage after the birth.

Please contact the Trust Fund office if you believe your situation met the special rules above. Otherwise, there is no action necessary on your part.

IN ACCORDANCE WITH THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THIS SMM SUPPLEMENTS THE SUMMARY PLAN DESCRIPTION (WHICH IS ALSO THE PLAN DOCUMENT) AND IS COLLECTIVELY KNOWN AS THE "PLAN RULES", THAT HAS BEEN SEPARATELY PROVIDED TO YOU. YOU SHOULD RETAIN THIS DOCUMENT WITH YOUR COPY OF THE PLAN'S RULES.

If you have any questions, please contact the Trust Fund Office.

Sincerely,

Fund Manager On behalf of the Board of Trustees

This document has been uploaded and is available on the participant website at:
www.ourbenefitoffice.com/SIHRTE/Benefits/