

Western States Health & Welfare Trust Fund of the OPEIU

Please Read Carefully – This Notice Modifies the Plan’s Summary Plan Description

The federal government has changed certain deadlines regarding the Plan’s COBRA continuation coverage, special enrollment for Plan coverage, and submission of Plan benefit claims and appeals. In addition, under a new federal law, for “Eligible Individuals” (as defined below) the Plan will not require payment for COBRA continuation coverage during the months of April through September 2021, and certain “Eligible Individuals” will have a special new opportunity to elect COBRA coverage at no charge effective April 1, 2021.

EXTENSION OF UP TO ONE YEAR FOR CERTAIN PLAN DEADLINES AFFECTING COBRA COVERAGE, SPECIAL ENROLLMENT RIGHTS, AND CLAIM SUBMISSIONS AND APPEALS

The United States Department of Labor and Internal Revenue Service have adopted an Extension Rule requiring that certain Plan deadlines be extended during the coronavirus “Outbreak Period” – that is, the period from March 1, 2020 through the end of the federal declaration of emergency regarding the coronavirus, plus 60 days. (At the time of sending this notice, the federal declaration of emergency regarding the coronavirus is currently still in effect.) Under this federal Extension Rule, if any of the following deadlines falls during the Outbreak Period, the Plan will disregard the part of that deadline that falls during the Outbreak Period, *up to a maximum of one year*:

- COBRA election deadlines
- COBRA payment deadlines
- Requirements to notify the Plan regarding a COBRA Qualifying Event
- Special Enrollment deadlines
- Deadlines to submit initial claims for benefits
- Deadlines to appeal denied claims for benefits, and regarding requests for external review

(For further detail regarding these deadlines, see your Summary Plan Description.)

For any of these deadlines falling between March 1, 2020 and the end of the Outbreak Period, that deadline is extended by the number of days of the deadline that passed during the Outbreak Period, up to a maximum one-year extension of each deadline involved.

Special Notes:

- If you or a family member make a proper COBRA election and COBRA payment during the additional time allowed by the Extension Rule, but all required payments are not made by the end of the extended deadline for all months of COBRA eligibility, COBRA coverage will only be provided for the earliest months for which required premiums have been paid. (See below for the special exception under ARPA.)

- The Extension Rule does not provide any additional months of COBRA eligibility (so, for example, if you are eligible for a maximum of 18 months of COBRA continuation coverage, that will not change even if the Extension Rule allows you to make some payments for COBRA continuation coverage after that 18-month period has ended).

Examples:

- Jane gets married on April 30, 2020. The one-year period from May 1, 2020 to April 30, 2021 is covered by the Outbreak Period, and that maximum one-year extension period is therefore not counted against Jane's normal 31 day deadline to enroll her new spouse for coverage under the Plan's Special Enrollment Rules. Jane's new deadline to enroll her spouse is 31 days after the April 30, 2021 date, which is May 31, 2021.
- Robert gets married on April 30, 2021. Assume that the coronavirus national emergency ends on July 30, 2021, meaning that the Outbreak Period ends 60 days later, on September 28, 2021. The period from May 1, 2021 to September 28, 2021 does not count against Robert's normal 31 day deadline to enroll his new spouse for Plan coverage. Robert's new deadline to enroll his spouse is 31 days after the September 28, 2021 date, which is October 29, 2021.

SPECIAL COBRA ELECTION PERIOD & SUBSIDY

Under the federal American Rescue Plan Act (ARPA) enacted on March 11, 2021, for the six months of April through September 2021 (the “Assistance Period”), the Plan will provide “Eligible Individuals” (as defined below) with COBRA continuation coverage at no charge. This no-charge coverage is only available to Eligible Individuals who are eligible for COBRA for one or more of the months during the Assistance Period under the Plan’s ordinary COBRA continuation coverage rules as described in the SPD.

For purposes of these rules, an “Eligible Individual” is someone who is on COBRA coverage during the Assistance Period because of an employee’s involuntary termination of employment or reduction of hours for any reason (that is, it does not have to be COVID-related). Voluntary terminations of employment are not covered, nor are other COBRA-qualifying events, such as death, divorce, or a dependent reaching the maximum age for coverage.

If someone would be an Eligible Individual except for the fact that they did not elect COBRA when initially eligible or elected COBRA but then discontinued it, they will be given a new opportunity to elect COBRA effective beginning as of April 1, 2021. The Plan will send a special notice explaining this opportunity to elect COBRA coverage to those who qualify.

No-charge COBRA coverage under the ARPA will terminate before the end of the Assistance Period in the following situations:

- if the Eligible Individual reaches their maximum COBRA continuation coverage period before the Assistance Period ends; or
- if the Eligible Individual becomes eligible for other group health plan coverage or Medicare before the end of the Assistance Period.

Federal law requires that an Eligible Individual notify the Plan of any eligibility for other group health plan or Medicare coverage, and a failure to do so can result in a fine of up to 110% of the normal cost of COBRA coverage.