



ROCKY MOUNTAIN
HEALTH PLANS®

We understand Colorado. We understand you.

Employer Group Manual

Revised October 2010

Section One

Welcome to Rocky Mountain Health Plans

Thank you for making Rocky Mountain Health Plans (RMHP) part of the health benefits program for you and your employees.

We are pleased to provide this Employer Group Manual as a service to assist you in 1) processing various forms such as Enrollment and Change Forms, 2) submitting monthly premium payments, 3) understanding RMHP procedures, and 4) meeting certain state and federal requirements for employer groups.

Your RMHP Account Manager is available to discuss general aspects of the health plan, as well as to answer your questions about enrollment of new employees and future group open enrollment periods.

When discussing eligibility in this manual, we refer to three main levels defined as:

- **Employer Group:** An employer or other group having an agreement with RMHP to provide medical benefits for its eligible employees and their eligible dependents.
- **Subscriber:** An employee who chooses RMHP benefits, meets all applicable eligibility requirements for coverage, has signed an Enrollment Form, and for whom the required premium payment has been received by RMHP.
- **Plan Member (Member):** An enrolled individual (either a Subscriber or a dependent of a Subscriber) who meets all applicable eligibility requirements for coverage and for whom the required premium payment has been received by RMHP.

Rocky Mountain Health Plans Products

| Plans underwritten by Rocky Mountain HMO (RMHMO) | Plans underwritten by Rocky Mountain HealthCare Options (RMHCO) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Good Health Savings Plans HMO HSA• Rocky Mountain Good Health HMO Plans• Rocky Mountain Vista HMO Plans• RMHMO HMO Standard Health Benefit Plan for Colorado*• RMHMO HMO Basic Limited Mandate Health Benefit Plan for Colorado* | <ul style="list-style-type: none">• Good Health Savings Plans PPO HSA• Rocky Mountain Good Health PPO Plans• Rocky Mountain Vista PPO Plans• Indemnity Plan• RMHCO PPO Standard Health Benefit Plan for Colorado*• RMHCO PPO Basic Limited Mandate Health Benefit Plan for Colorado* |
| *Known as Basic and Standard Plans | |

A Colorado Family of Health Plans

Rocky Mountain Health Plans (RMHP) is headquartered in Grand Junction and has been serving Coloradans exclusively since 1974, when it was formed as a not-for-profit, federally qualified health maintenance organization licensed by the Colorado Division of Insurance. RMHP has regional offices in Denver, Durango, and Pueblo.

Commercial Plans

RMHP offers health benefits coverage to private and public employer groups and individuals through contracts with participating providers. Plans offered are underwritten by Rocky Mountain HMO or Rocky Mountain HealthCare Options.

Government Programs

Contracts with the Centers for Medicare & Medicaid Services (CMS) and the Colorado Department of Health Care Policy and Financing (HCPF) allow RMHP to:

- offer Medicare HMO plans in all Colorado counties except Baca
- administer the state's Medicaid program in several Western Slope counties; and
- administer the state's Child Health Plan Plus (CHP+) program in 22 Colorado counties.

General Guidelines

- When making any enrollment changes, additions, or deletions, be sure to complete the appropriate RMHP forms and submit them promptly.
- Submit all new Uniform Employee Applications (for groups with less than 51 eligible employees), Enrollment Forms, Change Forms, and Disenrollment Forms timely to RMHP.
- Retroactive disenrollment of employee or dependent coverage is not accepted. Please read Section Two of this manual for the requirements for notifying RMHP about employee and/or dependent disenrollment and employer group termination.
- Be sure all forms are legible, complete, and signed.
- Premium payments are due on the first of the month for which coverage is to be effective.
- Dependent children are eligible for coverage according to the general eligibility requirements outlined in the Health Plan Guide and Evidence of Coverage for Group Plans.
- Certificates of Creditable Coverage (CCCs) must be issued to all plan members who terminate coverage under a group health plan. RMHP will issue CCCs for our employer groups to meet our requirements under the law. Please refer to Section Four for additional information on CCCs.
- Conversion plans are available to RMHP Employer Group Members upon termination of group coverage and continuation of coverage benefits (if eligible). Any conversion plan must be requested within 31 days of employment termination (if the employee is not eligible for COBRA or Colorado Continuation of Coverage) or within 31 days of the termination of coverage under COBRA or Colorado Continuation of Coverage. Conversion coverage must begin immediately following termination of COBRA or Colorado Continuation of Coverage; there cannot be a lapse in coverage.
- Members may change their Primary Care Physician (PCP) by contacting a Customer Service representative by phone or by e-mail (customer_service@rmhp.org) or online at www.rmhp.org prior to receiving services.
- If a Rocky Mountain Health Plans member receives a claim or bill from a participating provider, please advise them to call RMHP Customer Service at 800-346-4643 or 970-243-7050.
- Members may call RMHP Customer Service if they have questions about their coverage or have questions about their Member Billing Statement (MBS) or Explanation of Benefits (EOB).
- When in doubt on any matter, please call for clarification.

Section Two

Enrollment

Group Open Enrollment Period

Once a year, all eligible employees and their eligible dependents have the opportunity to enroll in RMHP. This enrollment generally takes place during the month preceding the group's anniversary date. In order for coverage to start on the anniversary date, Enrollment or Change Forms must be received by RMHP by the last business day of the group's anniversary month. In the event that RMHP does not receive Enrollment or Change Forms by the last business day of the group's anniversary month, enrollment will not be considered until the next open enrollment for the employer group.

Certain employer groups may elect alternate open enrollment periods as mutually agreed upon by the group and RMHP. The annual open enrollment period gives employees who previously waived coverage an opportunity to enroll in the employer's group plan. It also allows employees who are currently enrolled in other health plans sponsored by the employer to change plans. Employees covered by RMHP may add dependents who were not initially enrolled or change coverage during open enrollment. A limitation period for coverage for pre-existing medical conditions will apply for those small employer enrollees who do not have proof of Creditable Coverage (see Exhibit D). An RMHP Account Manager will be available to assist you during this period of open enrollment.

Changes During Group Open Enrollment Period

During the annual group open enrollment period, employees may add any dependents who they did not choose to cover previously, change health plans if more than one plan is offered, or change coverage categories. Employees may not change coverage outside the group open enrollment period for any reason except those discussed in this manual (see **Conditions for Special Enrollment** on page 5).

Group Renewal

RMHP mails the employer group renewal prior to the annual open enrollment period. The group renewal includes the renewal rates for the health plan(s) currently offered, the current eligibility requirements and alternate plan options for the group. A Plan Change form is included in the renewal that includes pertinent group information, including your group's TIN, SIC code and other information that is used to determine group size for continuation of coverage and coordination with Medicare. RMHP requests your review of this information to be sure it continues to accurately represent your business each renewal.

During the annual group open enrollment period, the employer may change the health plan(s) that is offered to employees, change contribution amounts, and change eligibility criteria, if desired. All changes must be communicated to RMHP no later than the 15th of the month prior to the group's anniversary.

Please be aware that the Patient Protection and Affordable Care Act (PPACA) introduced nondiscrimination rules to fully-insured health plans for new and renewing groups effective October 1, 2010. RMHP participation and contribution requirements do not ensure employer compliance with PPACA. Please work with your RMHP Account Manager for more information on this important rule.

Changing the health plan offered to the group's employees will cause a plan to lose its grandfathered status under PPACA. Please work with your RMHP Account Manager for more information regarding grandfathered and non grandfathered status.

Deductible Carry-Over

If the employer changes the health plan(s) that is offered at the time of renewal, any amount the employee and the covered family members have paid toward the calendar year deductible will be automatically credited to the new plan.

On January 1, any amount the employee has paid toward deductible in the months of October, November, or December will be credited to the next calendar year's deductible on non-high deductible health plans only. There is no deductible credit for the next year for amounts paid in the fourth quarter on high deductible health plans.

Enrolling New Employees

When a new employee meets eligibility requirements for your group health insurance coverage, he or she may enroll with Rocky Mountain Health Plans. You must notify RMHP no later than 30 days after the employee fulfills the employer-established eligibility waiting period in order to add that employee to your group coverage. We suggest that you provide the employee information about the RMHP plan, along with an explanatory memo from your organization, at least 30 days prior to the effective date of enrollment. Information packets, which your RMHP Account Manager will provide, include a description of the RMHP benefits. Please be sure to give all new employees this information packet at least 30 days prior to the effective date of enrollment.

Employees and dependents who choose not to enroll with Rocky Mountain Health Plans must complete a Waiver Form. This form must be received by Rocky Mountain Health Plans no later than 30 days following the employer-established eligibility waiting period for coverage. Eligible employees and eligible dependents who do not enroll and do not complete the required waiver form will not be allowed to enroll if loss of creditable coverage occurs, except at open enrollment time.

Exhibit A in Section 2 is a checklist to follow in offering RMHP coverage to new employees.

After an employee selects RMHP coverage, please be sure the following steps have been completed:

- For small employer groups (up to 50 employees), all new enrollees must complete and sign the Uniform Employee Application. It is important to provide information regarding previous health insurance for all adult family members. Please refer to Exhibit D in section 2 for more information.
- For large employer groups (more than 51 eligible employees), new enrollees must complete all appropriate sections of the Enrollment Form, including selection of a Primary Care Physician and Other Health Insurance Information, and sign the form. Please see Exhibit B — Enrollment Form for more information.
- You have checked the employee's eligibility and verified date of employment, and you have obtained the employee's signature in the appropriate section of the Enrollment Form and Waiver form (if the employee is waiving coverage for eligible dependents).
- The employee understands the effective date of coverage and that he/she will receive identification card(s) and further information about RMHP when the Enrollment Form is processed. Depending on the date the application is received, this process is completed within 10 to 15 working days. Please note: An ID card will not be issued unless the Enrollment Form or Uniform Employee Application is complete and signed.
- An Enrollment Form or Uniform Employee Application must be completed and submitted for employees and their dependents wishing to enroll as RMHP members within 30 days of the employee becoming eligible for company benefits, or their enrollment will not be considered until the next open enrollment period for the employer group.

Effective Date of Coverage for New Hires

To ensure appropriate coverage for your employees, you must follow the stated employer-established **eligibility waiting period** for coverage for new hires as indicated in the Group Service Agreement.

The eligibility waiting period established by your group applies to "eligible" employees. Employees who are initially hired and do not meet the eligibility criteria do not begin meeting the waiting period until they are considered "eligible" for health benefits. For example, a part-time employee moving to full-time status must meet the waiting period once they are full-time and considered "eligible" for health care benefits.

Rocky Mountain Health Plans will not enroll an employee who does not meet RMHP eligibility criteria resulting from a default on a previous or existing RMHP contract. Generally, this occurs when a member has not paid their copayments, coinsurance or deductible due to RMHP on a past or present contract. A letter will be sent to the employee explaining his/her responsibility to pay the outstanding balance in order to be eligible for coverage through your group plan. Coverage will be effective on the first day of eligibility as long as the outstanding balance with RMHP is paid in full or the eligible employee agrees to a payment arrangement within 30 days of the employee becoming eligible for company benefits. In the event that the eligible employee fails to do so their enrollment will not be considered until the next open enrollment period for the employer group.

Enrollment for Employees Who Reside Outside of Colorado

An employee who resides outside of Colorado may be eligible to enroll in Good Health National Access at the option of the employer. Nationwide in-network access for routine, preventive, urgent, and emergency care is available through the MultiPlan/PHCS Network to employer groups with employees who live outside of Colorado.

A maximum of 15% of enrolled employees with a small group can be covered outside of Colorado.

A maximum of 25% of enrolled employees with a large group (51 or more employees) can be covered outside of Colorado.

If the employer allows active employees to enroll in Good Health National Access, COBRA/CCOC members must also be allowed to enroll.

Enrollment for Dependents Who Reside Outside of Colorado

Eligible dependents of employees on HMO plans who live outside of Colorado may enroll in Good Health National Access at the option of the employer. The nationwide access is already included in the PPO plans for dependents who live outside Colorado – there's no need to enroll. Nationwide in-network access for routine, preventive, urgent, and emergency care is available through the MultiPlan/PHCS Network.

Check out provider availability in a particular state or city by going to www.rmhp.org and click on Find a Provider, then click the link under National Provider Access.

To enroll an employee or dependent in Good Health National Access, contact your RMHP Account Manager. There is no additional charge to enroll.

Note: The employer is not required to allow enrollment in Good Health National Access. All employees enrolled on a PPO plan who reside in Colorado have nationwide in-network access for themselves and their dependents and do not need to enroll in Good Health National Access.

Conditions for Special Enrollment

Because RMHP provides care to enrolled members on a prepaid basis rather than on the basis of approving claims for payment, it is extremely important that RMHP's records of members' eligibility be maintained accurately. Your assistance in reporting all changes to us in a timely manner is greatly appreciated. To help simplify this procedure, the RMHP Change Form (see Exhibit C) is to be used to report all changes.

- 1. Addition of Newborn or Adopted Child:** A newborn or adopted child will be automatically enrolled under the Subscriber's existing RMHP health plan and the effective date of coverage will be the date of birth or the date of the adoption or placement for adoption. A legally adopted child will be deemed "adopted" when such child is placed for adoption with the Subscriber or Dependent Spouse by the state or an adoption agency such that the Subscriber or Dependent Spouse assumes or retains a legal obligation to partially or to fully support a child in anticipation of the child's adoption.

Notification and Billing Requirements: The newborn or adopted child will be **automatically enrolled** under the Subscriber's existing RMHP health plan. The Subscriber will receive a Welcome Letter and a Change Form to complete and sign in order to notify RMHP of the baby's name and Primary Care Physician (PCP), if the plan they are on requires a PCP to be selected. Otherwise, a PCP will be auto-assigned. In the event of an adoption, copies of the adoption records must be submitted to RMHP. The Subscriber will receive a temporary eligibility letter for the newborn or adopted child to present to the doctor or pharmacy. A Membership ID card will not be issued until the Change Form is received by RMHP. Changes in premium (if any) for the addition of a newborn or adopted child will be effective the first day of the calendar month following the date of birth or adoption.

If the subscriber does not want their newborn to be covered on the existing RMHP health plan, because he/she has health coverage on a different health plan effective on the date of birth, a Newborn Coverage Waiver Form must be completed and submitted through the employer group. Notification must be received by RMHP within the first thirty-one (31) days from the date of birth to avoid any premium charges.

If the subscriber elects to disenroll their newborn after the initial thirty-one (31) days, the subscriber must complete the RMHP Change Form and provide to his/her employer for submission to RMHP. Disenrollment will occur on the first day of the month following receipt of the Change Form. Any additional premium owed will be charged effective the first day of the month following the date of birth.

- 2. Court or Administrative Order to Cover a Dependent:** If an employee or **enrolled** spouse is subject to a newly issued court or an administrative order to provide health care coverage for a dependent child, and the employee is eligible for family health care coverage through his/her employer, Rocky Mountain Health Plans will permit the Subscriber or Dependent Spouse to add the dependent child to be effective on the date of the court or administrative order. If an unenrolled employee is required by court order to provide health care coverage for a dependent child, RMHP will enroll both the employee and the child.

Notification and Billing Requirements: The dependent child must be added to the plan within 30 days from the date of the event, and changes in premium are due the first billing period following the court or administrative order. Please submit a Change Form (see Exhibit C) with complete information signed by the employee, along with legal documents requiring coverage. In the event that that RMHP does not receive notification to add a dependent child within 30 days from the date of the event, enrollment will not be considered until the next open enrollment for the employer group.

- 3. Addition of a New Spouse:** If an enrolled employee adds a new spouse to the plan, coverage for a new spouse may begin on the date of marriage **if** the employee requests enrollment prior to the date of marriage. If the employee requests enrollment within 30 days following the date of marriage, the coverage for the new spouse will be effective on the first of the month following the date of marriage.

Addition of a New Domestic Partner or Common Law Spouse: An enrolled employee may add a common law spouse by completing the Common Law Spouse form. An enrolled employee may add a same-sex domestic partner by completing the Domestic Partner Affidavit which must be signed by the employer. Both forms are available at www.rmhp.org.

Notification and Billing Requirements: For coverage effective on the date of marriage, changes in premium shall occur on ***the first day of the month following the date of marriage if the date of marriage is between the 16th and the last day of the month or the first day of the month preceding the date of marriage if the date of marriage is between the 1st and the 15th of the month.*** For coverage effective the first day of the month following the date of marriage, changes in premium shall occur the first billing period following such event. Please submit a Change Form (see Exhibit C) and Previous Health Insurance Form (see Exhibit D) with complete information signed by the employee. In the event that RMHP does not receive notification within 30 days following the date of marriage, enrollment will not be considered until the next open enrollment for the employer group.

- 4. An employee who is eligible for group coverage but not enrolled in the plan** will also be eligible to enroll in the group health plan if they experience any of the events noted in Items 1, 2, and 3. If an unenrolled employee is required by court order to provide health care coverage for a dependent child, RMHP will enroll both the employee and the child. Coverage for the employee, the new dependent, and any other eligible dependents not previously enrolled will be effective on the date of birth or the date of such events as described above. **An Enrollment Form or Uniform Employee Application (for small groups) must be completed and signed by the employee and submitted to Rocky Mountain Health Plans within 30 days of the event or enrollment cannot take place until the Open Enrollment Period.** A limitation period for coverage for pre-existing medical conditions will apply for those small employer enrollees who do not have proof of prior Creditable Coverage (see Exhibit D). The pre-existing medical condition limitation period will not apply to pregnancy, a newborn child, a newly adopted child, a child placed for adoption, or a child who is under 19 years of age.

Billing Requirements: Premium for the coverage of previously nonenrolled employees and dependents whose coverage becomes effective on the specific date of birth, adoption, or marriage will be billed on ***the first day of the month following the date of birth or adoption if the acquisition date is between the 16th and the last day of the month or the first day of the month preceding the date of the event if the acquisition date is between 1st and the 15th of the month.***

Enrollment of Late Enrollees

A Late Enrollee is a person who meets the employer's general eligibility requirements but fails to enroll when first eligible for coverage and does not meet any of the conditions for Special Enrollment. A Late Enrollee shall be eligible for enrollment on whichever one of the following dates that occur first:

- The date the Late Enrollee enrolls with RMHP during an annual Open Enrollment Period or
- The date 12 months following the date the Late Enrollee requests coverage under the plan.

A limitation period for coverage for pre-existing medical conditions will apply for those small employer enrollees who do not have proof of Creditable Coverage (see Exhibit D). The pre-existing medical condition limitation period will not apply to pregnancy, a newborn child, a newly adopted child, a child placed for adoption, or a child who is under 19 years of age.

Enrollment of Dependents age 19 – 26

If an employee or covered spouse has a dependent between the ages of 19 and 26 who is currently not enrolled as a covered dependent, the dependent may enroll in the plan only during the group's open enrollment period. Pre-existing condition limitations will apply for small employer enrollees who do not have proof of Creditable Coverage (see Exhibit D).

When Loss of Coverage Occurs

Enrollment is allowed for eligible employees and dependents when loss of coverage occurs under the following conditions:

- The employee or dependent was covered by other creditable coverage under another carrier or RMHP plan at the time of the initial enrollment period and stated on the RMHP Waiver Form that coverage under another plan was the reason for declining enrollment. Medicare, Medicaid, Group, Individual, or other federal or state public health plan coverage qualifies as creditable coverage for meeting this requirement. Enrollment is allowed when there is a loss of coverage on the other health plan for the following reasons:
 - Loss of coverage under the other Creditable Coverage as a result of termination of employment or eligibility
 - Loss of eligibility due to reduction in hours
 - Divorce or legal separation
 - Death of a spouse
 - Termination of employer contributions toward such Creditable Coverage
 - Meeting/exceeding a lifetime limit on benefits

Notification and Billing Requirements: The employee must request enrollment and complete and submit appropriate RMHP forms no later than 30 days after termination of the other Creditable Coverage. Coverage will be effective the first day of the month following the termination date of the other creditable coverage. There cannot be a lapse of coverage.

When Layoff and Rehire Occurs

Employees who are laid off or who voluntarily terminate their employment and who are then rehired within 90 days of termination may enroll at date of rehire and waive the eligibility waiting period.

Notification and Billing Requirements: The employee must request enrollment and complete and submit appropriate RMHP forms no later than 30 days after date of rehire. In the event that RMHP does not receive notification within 30 days following the date of rehire, enrollment will not be considered until the next open enrollment for the employer group.

Other Changes

- For changes of name, address, or new dependents, etc., that do not affect the premium, please be sure to submit completed Change Forms (see Exhibit C) so that RMHP may maintain accurate records on all members. These may be sent directly to RMHP by the employee unless you wish to process all employee information.
- Primary Care Physician (PCP) changes may be made by the member by contacting RMHP online, in writing, or by telephone. A PCP change must be reported to RMHP prior to any visits to the newly selected PCP.

- Employers may change their eligibility criteria at the annual anniversary date of their coverage. Please be aware that the Patient Protection and Affordable Care Act (PPACA) introduced nondiscrimination rules to fully-insured health plans for new and renewing groups effective October 1, 2010 and these rules should be considered when establishing or changing eligibility criteria and employer contribution.

All coverage changes and terminations, if made by the 10th of the month, will normally be reflected in the billing of the first of the month following the month in which the Change Form or Disenrollment Form is received by RMHP. Your work in reconciling the invoice will be simplified if you forward all new Enrollment Forms, Disenrollment Forms, and Change Forms as promptly as possible.

Disenrollment

Notification Requirement: Rocky Mountain Health Plans **requires disenrollment notification** of employees and/or dependents to be received by Rocky Mountain Health Plans **no later than 5:00 p.m. Mountain Time on the first business day of the month following the disenrollment effective date.** Notification received by Rocky Mountain Health Plans later than the first business day of the month following the disenrollment effective date will result in an extension of coverage for an additional month with the required premium due to Rocky Mountain Health Plans.

Accepted Methods of Disenrollment Notification: Several methods of notification are available to employers.

- **On-line.** To submit an employee disenrollment from our website, go to www.rmhp.org then select "Employer Groups," "Plan Administrator Resources." Complete the Employee Disenrollment Form and click "Submit."
- **Fax:** To download and print the form from our website, click www.rmhp.org then select "Employer Groups," "Plan Administrator Resources", "Commonly Used Forms," "Disenrollment Form."

Complete the paper form and fax to Rocky Mountain Health Plans at:

970-263-5507

Attn: Enrollment Department

- **Mail:** To download and print the form from our website, click www.rmhp.org then select "Employer Groups," "Plan Administrator Resources", "Commonly Used Forms," "Disenrollment Form."

Complete the paper form and mail it by Certified Mail to:

Rocky Mountain Health Plans

Attn: Enrollment Department

PO Box 10600

Grand Junction, CO 81502

Termination of Employee

If the employee has terminated employment but has not completed the Disenrollment Form (Exhibit E), **you must complete and submit one even if you cannot obtain the employee's signature.** This termination notice to RMHP is also necessary to issue a Certificate of Creditable Coverage (CCC), required of employer groups and health insurance issuers.

Rocky Mountain Health Plans requires notification from the group **no later than 5:00 p.m. Mountain Time on the first business day of the month following the disenrollment effective date. A Disenrollment Form is required for all employee terminations. Please see the notification methods above to communicate employee terminations to Rocky Mountain Health Plans.**

- We prefer that the form be completed and signed by the employee. However, if that is not possible, we will accept it from your human resources, personnel, or accounting department. The termination will be considered effective at midnight on the last day of the month in which the employee was terminated, unless other arrangements have been made. **If disenrollment and continuation of coverage notification is received later than 5:00 p.m. Mountain Time on the first business day of the month following the disenrollment effective date, Rocky Mountain Health Plans will continue to cover the employee on the group plan, and premium will be collected for an additional month of coverage provided.**

- The Disenrollment Form requires you to certify whether you terminated the employee involuntarily, or whether the termination of the employee resulted from the employee's voluntary decision (i.e., the employee quit). Your certification will determine whether the employee and his or her then-eligible dependents are entitled to a COBRA or CCOC premium reduction under the American Recovery and Reinvestment Act of 2009 (ARRA). (Please refer to Section Four — Colorado Continuation of Coverage or Section Five — COBRA.)
- If you have not requested RMHP's administrative assistance with your COBRA/CCOC responsibilities, then you will provide notice of termination of an employee according to the procedures to which you and RMHP have agreed.

Termination of a Dependent

This change must be made whenever a dependent is no longer eligible. This would include but not be limited to events such as divorce or legal separation of a covered spouse, dependent child reaching the age limit of the plan (for most plans, end of the month the child turns age 26), or a child no longer meeting the general eligibility requirements under the Evidence of Coverage.

This termination notice to RMHP is also necessary to initiate a Certificate of Creditable Coverage (CCC), which is a requirement of employer groups and health insurance issuers. (Please refer to Section Four — Colorado Continuation of Coverage or Section Five — COBRA.)

Rocky Mountain Health Plans requires notification from the group **no later than 5:00 p.m. Mountain Time on the first business day of the month following the disenrollment effective date. A Change Form must be completed and signed by the employee.** (See Exhibit C) To print this form from our website, go to www.rmhp.org then select "Employer Groups," "Plan Administrator Resources," "Commonly Used Forms."

COBRA and Colorado Continuation of Coverage

Rocky Mountain Health Plans, upon written request, will provide administrative support to assist you with compliance with some of the provisions of the law concerning COBRA (Consolidated Omnibus Budget Reconciliation Act) and Colorado Continuation of Coverage (CCOC) for all participating employer groups requesting these services. There is no charge for this assistance. Rocky Mountain Health Plans will notify the qualified beneficiary of their right to continue group coverage if the employer submits the Disenrollment Form (with respect to employees) or a Change Form (with respect to dependents) to RMHP indicating a COBRA or CCOC "qualifying event" has occurred entitling the employee and/or eligible dependents to COBRA or CCOC.

A brief explanation of the Continuation of Coverage laws affecting your company is provided in Sections Four and Five.

Please complete either the Disenrollment or Change Form, as appropriate, describing the event that led to the termination of coverage. (Please refer to Sections Four and Five of this manual.)

Conversion

Rocky Mountain Health Plans will notify the qualified beneficiary of their right to a conversion plan following COBRA and/or Colorado Continuation of Coverage. Conversion coverage will also be available to enrollees of your group plan who were not eligible for COBRA or Colorado Continuation of Coverage at the time of termination of employment.

Conversion is also available to your employees should your employer group terminate health coverage through RMHP and does not obtain other group coverage.

Enrollees of a group plan have the right to convert to a Basic Health Benefit Plan or a Standard Health Benefit Plan in effect at the time of application. Eligibility for benefits on a conversion plan is described in the member's applicable Evidence of Coverage.

Exhibit A — Checklist for New Employee

This checklist is a guide for discussing Rocky Mountain Health Plans with a new employee. The checklist will help you answer questions about RMHP.

RMHP Physicians

- RMHP has a broad selection of participating Primary Care Physicians (PCPs). Please select one of these physicians to be your personal PCP.

Use of Your Membership Card

- Members of RMHP receive a membership card, which is the key to receiving coverage for health care services.
- The card must be shown whenever you receive health care services. Its use will aid your physician in getting paid promptly and ensure that the bill is sent to RMHP. Members usually do not have to complete routine claim forms.

Emergency Conditions

- In an emergency situation, first call your PCP anytime of the day or night.
- If the emergency is life threatening, you should go to the nearest medical facility, call an ambulance, or call the Emergency number - 911. Notify RMHP or your PCP within 72 hours or as soon as possible.
- If the emergency occurs outside of the RMHP service area, you must notify RMHP within 48 hours or as soon as possible. Use your RMHP identification card to expedite payment of the bill by RMHP. If you must pay the bill for your care, follow the claim-filing requirements and submit it to RMHP upon your return.

Dependents

- Family coverage includes your spouse and your up to age 26. A handicapped dependent child of any age who is medically certified as disabled and dependent upon the Subscriber or Dependent Spouse shall be eligible for coverage (with appropriate documentation).

Exhibit B — Enrollment Form (for groups with 51+ eligible employees) and Uniform Employee Application (for groups with 50 or fewer eligible employees)

The RMHP Enrollment Form or Uniform Employee Application must be completed to enroll eligible Subscribers and their dependents in RMHP when:

- An Employer Group initially contracts with RMHP and coverage is offered to all eligible employees.
- A newly hired eligible employee of an Employer Group chooses to enroll in RMHP.
- During the specified open enrollment period when coverage in RMHP is again offered to all eligible employees and their eligible dependents.
- An employee who is eligible for group coverage but not enrolled in the plan requests enrollment outside of open enrollment due to a person becoming a dependent of the employee through:
 - Birth
 - Adoption or placement for adoption
 - Marriage
 - Court order to cover dependent child(ren)
- An employee or dependents were covered by other Creditable Coverage under another carrier at the time of the initial enrollment period and stated in writing (RMHP Waiver Form) that coverage under another plan was the reason for declining enrollment. Enrollment is allowed when there is a loss of coverage on the other health plan for the following reasons:
 - Loss of coverage under the other Creditable Coverage as a result of termination of employment or eligibility
 - Loss of eligibility due to reduction in hours
 - Divorce or legal separation
 - Death of a spouse

- Termination of employer contributions toward such Creditable Coverage
- Meeting/exceeding a lifetime limit on benefits

The Enrollment Form must state the employment date and be signed by the employee and spouse (if applicable).

Please be sure all information is legible and complete. A Primary Care Physician (PCP) selection must be shown for each member.

Completed forms should be sent to RMHP immediately so our records and the corresponding premium billings will be current.

New enrollments must be reported in a timely manner to avoid delays in the effective date of coverage. Retroactive effective dates must be approved by RMHP.

Eligible employees who decide not to enroll with Rocky Mountain Health Plans must sign the Waiver section of the form (applicable to small groups only). The signed waiver must be sent to Rocky Mountain Health Plans. Eligible employees who do not enroll and do not complete the Waiver Form will not be allowed to enroll if loss of Creditable Coverage occurs, except at the open enrollment period for the small employer group.

To print this form from our website, go to www.rmhp.org then select “Employer Groups,” “Plan Administrator Resources” “Commonly Used Forms.”

You may contact Rocky Mountain Health Plans to request a supply of employee packets for new hires. To request packets through our website, go to www.rmhp.org then select “Employer Groups,” “Plan Administrator Resources” “Request a New Employee Enrollment Packet.” Or call your RMHP account manager.

Exhibit C — Change Form

The Change Form is used to change information about an existing RMHP member. The most important uses of this form are:

- To add newly eligible dependents
- To change coverage status, such as from “Single” to “Employee + Spouse,” “Employee + Children,” or “Employee + Spouse + Child(ren)”
- To change member names and addresses
- To drop a dependent from the coverage

Important information when dropping a dependent:

- RMHP requires notification from the group no later than 5:00 p.m. Mountain Time on the first business day of the month following the disenrollment effective date. **The employee must complete and sign a Change Form.**
- Newborns and newly adopted children are automatically enrolled on the parent's plan. A Change Form must be completed to either:
 1. provide RMHP with the child's name and PCP (if one is required)
 2. disenroll the child following the mandated, initial 31-days of coverage

To print a Change Form from our website, go to www.rmhp.org then select “Employer Groups,” “Plan Administrator Resources,” “Commonly Used Forms.”

Exhibit D — Previous Health Insurance Information (Prior Creditable Coverage)

- For groups with up to 50 employees
- Does not affect the RMHMO HMO Standard Health Benefit Plan for Colorado or the RMHMO HMO Basic Limited Mandate Health Benefit Plan for Colorado

The Uniform Employee Application must be completed including the Current and Previous Medical Coverage section by all enrolling employees for themselves and their family members. This includes existing employees who may have waived coverage in the past and are now enrolling in the group health plan.

RMHP will implement a six-month pre-existing condition limitation period for all new enrollees. This waiting period starts from the enrollment date with RMHP or the first day of the employer's waiting period for eligibility, whichever is earlier. The pre-existing medical condition limitation period will not apply to pregnancy, a newborn child, a newly adopted child, a child placed for adoption, or a child who is under 19 years of age.

If the enrollee has had Prior Creditable Coverage within 90 days of his/her enrollment into RMHP or the first day of the employer's waiting period, the pre-existing condition limitation period will be reduced and possibly eliminated. Prior Creditable Coverage includes health care coverage provided under: (a) Medicare or Medicaid; (b) an employee welfare benefit plan or group health insurance or health benefit plan; (c) an individual health benefit plan; (d) a state health benefits risk pool (including but not limited to CoverColorado); or (e) certain other federal coverage specifically described in Colorado Revised Statutes Section 10-16-102(13.7).

For those persons who are "Assistance Eligible Individuals" under the American Recovery and Reinvestment Act of 2009 (ARRA) and who were entitled to and actually elected COBRA or CCOC coverage notwithstanding a break of coverage from the date coverage was lost, the period of time between the date the coverage was lost and the date the coverage recommenced will not count towards the 90 days. (Please refer to Section Four — Colorado Continuation of Coverage or Section Five — COBRA.)

The Current and Previous Medical Coverage section must be submitted to RMHP with the Uniform Employee Application or Change Form, along with proof of Creditable Coverage. Proof of Creditable Coverage can include (1) Certificates of Creditable Coverage provided by the prior carrier, or (2) prior premium billing statements for the past six months. If your employee does not have a certificate evidencing their prior Creditable Coverage, the employee must contact the prior carrier, request the certificate, and submit it to RMHP.

To print the Uniform Employee Application from our website, go to www.rmhp.org then select "Employer Groups," "Plan Administrator Resources," "Commonly Used Forms."

Exhibit E — Disenrollment Form

The RMHP Disenrollment Form is used to cancel coverage on terminated employees. If you are unable to get the employee's signature, you should sign and submit this form yourself.

Please be sure to state the effective date of the cancellation. Termination dates are the last day of the month unless other arrangements have been agreed to by RMHP and the Employer Group.

You must certify whether you terminated the employee involuntarily, or whether the termination of the employee resulted from the employee's voluntary decision (i.e., the employee quit). Your certification will determine whether the employee and his or her then-eligible dependents are entitled to a COBRA or CCOC premium reduction. (Please refer to Section Four — Colorado Continuation of Coverage or Section Five — COBRA.)

RMHP requires notification from the group **no later than 5:00 p.m. Mountain Time on the first business day of the month following the disenrollment effective date.**

To print forms from our website, go to www.rmhp.org then select "Employer Groups," "Plan Administrator Resources," "Commonly Used Forms."

You can also complete and submit the Disenrollment Forms electronically from our website. Go to www.rmhp.org then select "Employer Groups," "Plan Administrator Resources," "Submit an Employee Disenrollment Form."

Exhibit F — Dependent Children age 19 - 26

Rocky Mountain Health Plans covers eligible dependent children through the end of the calendar month in which the dependent becomes 26 years of age.

Each calendar year, RMHP will mail a letter to those Subscribers with dependents who are or will shortly be at the age 26 limit. Coverage for the dependent is terminated the last day of the month of the dependent's 26th birthday. The Subscriber and Employer Group are notified.

Exhibit G — Waiver Form

For Small Employer Groups with up to 50 eligible employees

When an employee indicates that he or she chooses to waive the right to health care coverage through your employer group health plan, the employee must complete a Waiver Form. This Waiver Form is required by Colorado Law and is included on page 2 of the Uniform Employee Application.

Please Note: The Waiver Form must be completed when an employee's dependents choose to waive their rights to health care coverage through your employer group health plan as well. If a Waiver Form is not completed, the person will not be allowed to enroll if loss of Creditable Coverage occurs, except at the open enrollment period for the employer group.

To print a Waiver Form from our website, go to www.rmhp.org then select "Employer Groups," "Plan Administrator Resources," "Commonly Used Forms."

You may contact Rocky Mountain Health Plans to request a supply of employee packets for new hires. To request packets through our website, go to www.rmhp.org then "Employer Groups," "Plan Administrator Resources," "Request a New Employee Enrollment Packet." Or call your RMHP account manager.

Exhibit H — Transition of Care Form

A Transition of Care Form is included in all Employee Enrollment Packets. This form is to be used if the enrolling employee and/or family members are under a current treatment plan with a physician or provider.

Rocky Mountain Health Plans wants the transition to our health plan to be as smooth as possible. By completing this form, Rocky Mountain Health Plans can work with the member through our clinical case management process and ensure that continuity of care is maintained. In the case of ongoing care provided through a nonparticipating provider, Rocky Mountain Health Plans will work with the member to transition care to a participating provider when the time is right.

To print a Transition of Care Form from our website, go to www.rmhp.org then select "Employer Groups," "Plan Administrator Resources," "Commonly Used Forms."

You may contact Rocky Mountain Health Plans to request a supply of employee packets for new hires. To request packets through our website, go to www.rmhp.org, click on "Employer Groups," "Plan Administrator Resources," "Request a New Employee Enrollment Packet." Or call your RMHP account manager.

Section Three

Premium Billing

As a prepaid health plan, RMHP sends premium billings on or about the 15th of the month prior to the month for which coverage is to continue in effect. **Premium payments are due on the 1st of the month for which coverage is effective.** See a sample Premium Billing Statement on pages 17 and 18.

If a new employee is eligible for coverage but is not listed on the billing statement you received, please pay the “Total Amount Due” regardless of any needed adjustments. RMHP will make the appropriate adjustments on your next billing statement.

For groups with age-banded rates, an employee whose birthday results in an age band change will be reflected on the employer group's premium statement as a rate change effective the first of the month following the employee's birthday.

If you have requested RMHP's administrative assistance with your COBRA responsibilities, your premium billing statement will show which ex-employees are “Assistance Eligible Individuals” who have elected COBRA. Under the American Recovery and Reinvestment Act of 2009 (ARRA), you will be responsible for 65% of these individuals' premiums for COBRA. You will be responsible for collecting 35% of these individuals' premiums for COBRA from your ex-employee. You will be responsible to pay 100% of the ex-employee's premium to RMHP. **These premiums are due at the same time as premiums for active employees.** Once you have collected the 35% from the ex-employee and paid RMHP 100% of the premium, you will be entitled to a payroll tax credit for your 65% portion of the COBRA premium payments. An assistance eligible individual may receive the subsidy for 15 months. After 15 months, the individual may continue the coverage as a non-subsidy COBRA member until the COBRA coverage is exhausted. (Please refer to Section Five — COBRA.)

RMHP, and not you, the ex-employer, must subsidize the premium payments for “Assistance Eligible Individuals” who have elected CCOC. RMHP is entitled to the payroll tax credit for the 65% CCOC premium payments. Your billing statement will list individuals who have elected CCOC, but will not reflect any amounts due for their CCOC premiums. RMHP will continue to be responsible for collecting those premium amounts directly from those individuals. (Please refer to Section Four — Colorado Continuation of Coverage.)

Please note some key information:

Account Summary

Group Name, Group Identification Number, Invoice Number, Due Date, Coverage Period From and Through Dates, Total Amount Due.

Please include this information with your premium payment to ensure accurate processing.

Account Detail

Benefits, Subscribers, Dependents, and Premium Billing

Miscellaneous Billing Items

Billing representative initiated adjustments

Retroactive Adjustments

Retroactive system adjustments to premium billing

Current Subscriber Details

Employee Name, Employee Social Security Number, Selected Plan Options, and Premium Billing Amount per Employee

Delinquent Premiums

Employer groups whose premium payments are not received by the premium due date will be sent a delinquent notice. This letter provides notification that payment must be received by RMHP within 15 days from the date of the letter. All claims for health care services will be suspended until premium is received.

If RMHP does not receive premium payment for the month due within 15 days from the delinquent notice, group health plan coverage will terminate as of the end of that month. The group will continue to be billed for delinquent premiums as well as an additional month's premium and referred to a collection agency if warranted.

A termination letter will be sent to the employer group and all enrolled employees.

Ancillary Coverage

Premium billings for employer groups that offer dental, vision, chiropractic, Employee Assistance Program, or 24-Hour Nurse Line coverage will reflect premium due on these coverages.

CoverColorado Assessment

CoverColorado is a program created by the Colorado Legislature to provide insurance coverage to Colorado residents who have medical conditions that limit their ability to obtain affordable health insurance.

RMHP, along with other carriers in Colorado, is required by law to help pay the expenses of the CoverColorado program. The assessment appears on the premium bill as a fee. The charge for 2010 is \$2.00 per subscriber per month in addition to the health plan premium.

The charge for 2011 is \$3.15 per subscriber per month in addition to the health plan premium.

Sample Premium Billing Statement



PO Box 10600, 2775 Crossroads Blvd.,
 Grand Junction, CO 81506-8758
 970-244-7760 or 800-843-0719
 Fax: 970-244-7880

PREMIUM BILLING STATEMENT

Amount Remitted: _____

Billing For: Any Group Subgroup
 2775 Crossroads Blvd
 Grand Junction, CO 81506

Due Date: 07/01/2000
 Billing Date: 06/28/2000
 Coverage Period From: 07/01/2000
 Through: 07/31/2000

Group ID:00001000
 Sub Group ID:0001

Invoice Number:001807817
 Total Due: \$800.14

Please detach and return this portion with your payment in the return envelope. Include Group I.D. on payment.

Please retain this portion for your records.

Group ID:00001000
 Sub Group ID:0001

Invoice Number:001807817

Account Summary

| | | | |
|--------------------------------------|--------------------|------------------|------------------------|
| 06/27/2000 | Previous Total Due | 1,600.28 | |
| 06/27/2000 | Payment | (800.94) | |
| Outstanding Balance as of 06/28/2000 | | 0.00 | |
| | Current Invoice | 800.14 | |
| | Total Due | \$ 800.14 | Please Pay This Amount |

Message : 1
 TOTAL BALANCE DUE BY 1ST OF THE MONTH

Message : 2
 PLEASE RETURN TOP PORTION OF PAGE 1 WITH YOUR PAYMENT

Sample Premium Billing Statement



PO Box 10600, 2775 Crossroads Blvd.,
Grand Junction, CO 81506-8758
970-244-7760 or 800-843-0719
Fax: 970-244-7880

Group ID:00001000
Sub Group ID:0001

Invoice Number:001807817

Account Detail

| | | Subscribers | Dependents | Current | Retro | Net |
|-------------------------|-------------------------|-------------|------------|---------|-------|-----------|
| C1000 | C1000 PLAN | 2 | 2 | 700.00 | | 700.00 |
| DENTAL | ALL DENTAL PLANS | 2 | 2 | 78.50 | | 78.50 |
| RX29 | \$10/\$15/\$25 COPAY CO | 2 | 2 | 0.00 | | |
| VISION | ALL VISION PLANS | 2 | 2 | 21.64 | | 21.64 |
| | | | | 800.14 | 0.00 | 800.14 |
| Current Bill Total | | | | | | |
| Balance Carried Forward | | | | 800.14 | 0.00 | 800.14 |
| Total | | | | | | \$ 800.14 |

PAGE: 2
Form ID: LBL1

Section Four

Colorado Continuation of Coverage Law Information

In certain circumstances, Colorado state law requires employers to offer continued coverage (Colorado Continuation of Coverage, or CCOC) for a specified period for employees and/or dependents who have terminated employment or who are no longer eligible for coverage

RMHP can, upon written request, provide administrative assistance with your compliance with the provisions of the law. There is no charge for this service.

This section will help you understand how this law affects you and the ways in which RMHP is prepared to assist you. The following documents are included:

- Colorado Continuation of Coverage Law Procedures
- Summary Description of the Colorado Continuation of Coverage Law
- RMHP Policies Regarding Employers Affected by the Colorado Continuation of Coverage Law
- Notice of Right to Elect Continuation of Coverage Under Colorado Continuation of Coverage Law
- Colorado Continuation of Coverage Election Form and CoverColorado Plan Notice Form
- Explanation and Sample Form of Certificate of Credible Coverage

If you have any questions about this information, please call your RMHP group representative or consult your legal counsel.

Colorado Continuation of Coverage Law Procedures

Here are the procedures to continue coverage for eligible members under the Colorado Continuation of Coverage Law if an employer has elected to have RMHP assist the employer with the Colorado Continuation of Coverage Law. When an RMHP member becomes eligible for continuation of health care coverage under the Colorado Continuation of Coverage Law, the employer should:

- Terminate the employee's coverage by submitting a Disenrollment Form or terminate a dependent's coverage by submitting a Change Form to RMHP **no later than 5:00 p.m. Mountain Time on the first business day of the month following the disenrollment effective date.**
- If member is not eligible for Continuation of Coverage (see Qualifying Events on page 19) then RMHP will, in most cases, send conversion information.
- Notify the member of his or her right to continue coverage under the Colorado Continuation of Coverage Law. It is the employer's responsibility to provide this notification to the extent required by applicable law.
- If a completed Disenrollment Form (with respect to employees and their then eligible dependents) or a Change Form (with respect to just then eligible dependents) is received for an eligible Colorado Continuation of Coverage member by RMHP, RMHP Member Enrollment & Billing Department will send a Colorado Continuation of Coverage Election Form to the eligible member(s).
- The completed Colorado Continuation of Coverage Election Form must be returned within 60 days of the date of the notification letter. When RMHP receives from the member a completed Colorado Continuation of Coverage Election Form and premium payment from the termination date through the end of the current month, the member is reinstated retroactively. All retroactive premiums must be collected and paid to RMHP before coverage can be continued without a lapse.
- Upon completion of this process, the member is reinstated and billed directly for the ongoing premium. The monthly premium statement billing will include a listing of persons covered under the Colorado Continuation of Coverage option.

Summary of the Colorado Continuation of Coverage Law

What Is the Colorado Continuation of Law?

The Colorado Continuation of Coverage Law addresses continuation of coverage benefits for employees and dependents who would otherwise lose group health insurance coverage.

Employers Affected

The Colorado Continuation of Coverage Law affects all Colorado employers offering group health plan coverage. However, employers with 20 or more employees must comply with the federal Consolidated Budget Reconciliation Act (COBRA), which requires continuation coverage for qualified individuals. Please comply with federal COBRA rules if you had 20 or more full-time and part-time employees working at least 50% of the business days in the prior calendar year. (Please refer to Section Five — COBRA.)

Plan Participants Affected

The Colorado Continuation of Coverage Law applies to covered employees and their eligible dependents.

Qualifying Events

A Qualifying Event for continued coverage under the Colorado Continuation of Coverage Law occurs if:

- An employee's eligibility to receive group health coverage has ended due to voluntary/involuntary termination of their employment.
- A dependent's eligibility to receive group health coverage has ended due to the death of an employee or change in marital status of an employee.
- In addition, the following requirements must be met:
- Premiums or contributions required from or on behalf of an employee must have been paid to the termination of employment date, and
- The employee must have been covered by the employer's group health plan for six months prior to the Qualifying Event.

Duration of Coverage

The continuation of coverage period under the Colorado Continuation of Coverage Law extends for 18 months following loss of coverage or until the employee or dependent becomes eligible for other group coverage, whichever occurs first.

Election Period

If the employer is independently administering Colorado Continuation of Coverage, the covered employee has 30 days from the date of termination to elect and pay premium for continued coverage under the Colorado Continuation of Coverage Law if the employer properly notifies the employee of the employee's right to continue coverage. If the employer does not properly notify the employee of the employee's right to continue coverage, the employee shall have 60 days from the date of termination to elect and pay premium for coverage under the Colorado Continuation of Coverage Law.

If RMHP is authorized to assist the employer in administering Colorado Continuation of Coverage, the covered employee has 60 days from the date of termination to elect and pay premium for continued coverage under the Colorado Continuation of Coverage Law if the employer properly notifies RMHP of the employee's right to continue coverage.

Cost

The premium payable by the covered employee under the Colorado Continuation of Coverage Law equals 100% of the applicable group premium rate, which includes the employee portion plus any portion that had been payable by the employer.

This is only a brief summary of the Colorado Continuation of Coverage Law. You should read applicable statutes and regulations and/or contact your legal counsel for complete details.

RMHP Policies Regarding Employers Affected by Colorado Continuation of Coverage Law

As required by law, the RMHP Evidence of Coverage provides for continuation of coverage to RMHP group members who become eligible under this law. However, RMHP will not conduct billing, election notification, or other administrative procedures for any employer unless the employer has requested such assistance from RMHP under the terms contained in this policy statement.

The following are the terms of RMHP providing assistance to employers:

- Via the Disenrollment Form or the Change Form, the employer shall notify RMHP in writing at the time of an employee's or an employee's dependent's eligibility for continuation of coverage, and in no event later than 10 days after the date of such eligibility. Such written notice from employer to RMHP shall include all information requested in such notice.
- Employer is responsible for the accuracy of all information provided to RMHP, including the accuracy of current addresses, names, and date of Qualifying Event related to employee's rights to elect continuation of coverage
- Employer agrees to and shall hold RMHP harmless from any costs, expenses, penalties, forfeitures, or any other claims or damages resulting to RMHP as a result of any inaccuracy of information, the failure to give any notice to RMHP regarding an employee, and from any dispute arising from failure to comply with the provisions of the Colorado Continuation of Coverage Law or the employer's interpretation or administration of that law. Said indemnity shall include penalties, court costs, attorney's fees, and any fines imposed under the Colorado Continuation of Coverage Law or as otherwise provided by law.
- RMHP shall send a Notice of Right to Elect Continuation of Coverage under Colorado Continuation of Coverage Law to the eligible beneficiary. Such notice will be sent by RMHP within 14 days of RMHP's receipt of the Notice to RMHP of Qualifying Event for Continuation of Coverage from the employer. (NOTE: Eligible beneficiaries have 60 days from the date of the Qualifying Event within which to elect continuation of coverage under the Colorado Continuation of Coverage Law.)
- RMHP shall directly bill eligible beneficiaries who elect to continue coverage.
- Failure on the part of the beneficiary to pay the premium within the payment period established will result in termination of coverage. RMHP will notify the employer and the beneficiary of such termination.
- RMHP shall monitor the length of the continuation of coverage and any ARRA premium subsidy periods and shall notify eligible beneficiaries who elect continuation of coverage of their right to a conversion policy upon exhaustion of continuation coverage.

Form for Termination

Qualifying Event Notice and Election Form

If an employer elected to have RMHP assist with the Colorado Continuation of Coverage law, RMHP will send the beneficiary a Notice of Right to Elect Colorado Continuation of Coverage and Election Form after we receive a Disenrollment Form or a Change Form when a beneficiary experiences either of the following:

- A termination of employment, or
- A Qualifying Event other than a termination of employment

These forms provide RMHP with the information necessary to contact the beneficiary and present the Colorado Continuation of Coverage provisions and election form.

You can also complete and submit the Disenrollment Form or the Change Form electronically from our website. Go to www.rmhp.org then select "Employer Groups," "Plan Administrator Resources," "Commonly Used Forms."

To print a Disenrollment Form or a Change Form from our website, go to www.rmhp.org then select "Employer Groups," "Plan Administrator Resources," "Commonly Used Forms."

«Print_Date»

«Subscriber_Name»
 «SBAD_ADDR1»
 «SBAD_ADDR2»
 «SBAD_CITY», «SBAD_STATE» «SBAD_ZIP»

SAMPLE

Dear: «Subscriber_Name», «Spouse_Name», «Dependent1», «Dependent2», «Dependent3», «Dependent4»,
 «Dependent5», «Dependent6», «Dependent7», «Dependent8»

Colorado Continuation of Coverage (CCOC) Election Notice

This notice contains important information about your right to continue your health care coverage in the «GRGR_NAME» Group Health Plan (the Plan). Please read the information contained in this notice very carefully.

To elect continuation coverage, follow the instructions on the following pages to complete the enclosed Election Form and submit it to us. If you do not elect continuation coverage, your coverage under the Plan will not recommence.

Each of the listed persons is entitled to elect continuation coverage, which will continue group health care coverage under the Plan for up to the period of time that Colorado law provides under C.R.S. 10-16-108.

If elected, continuation coverage will begin on «CC_Begin_Date» and can last no longer than 18 months from the date you lost coverage due to employment termination, change in marital status or the death of a covered employee.

If you reside outside the service area at any time during your continuation of coverage period, you will not be eligible for any benefits, including urgent and emergent care.

Based upon the covered family members that were enrolled on the date you lost coverage, continuation coverage will cost:

| | |
|-------------------|------------------|
| Medical | «Med» |
| Dental | «Den» |
| Vision | «Vis» |
| Cover Colorado | «Cover_Colorado» |
| Total Due: | «Total» |

Though you do not have to send any payment with the Election Form, you must actually pay for elected continuation coverage, in full and in good funds, within sixty (60) days of the date of this notice. You are not entitled to add dependents to receive CCOC continuation coverage if such dependents were not covered on the day before you lost coverage.

You must pay the premiums for CCOC continuation coverage no later than sixty (60) days after the date of this notice, for all months of coverage prior to your payment. Important additional information about payment for continuation coverage is included in the pages following the Election Form.

If you have any questions about this notice or your rights to continuation coverage, you may contact RMHP by calling 970-244-7975, option 5, or toll free at 800-515-5153, option 5.

RMHP COBRA Billing Team
P.O. Box 10600
Grand Junction, CO 81502
Email: cobrabilling@rmhp.org
Fax: 970-244-7769

You may also contact the Plan Administrator, at «GRGR_NAME», «GRGR_ADDR1», «GRGR_ADDR2», «GRGR_CITY», «GRGR_STATE» «GRGR_ZIP», «GRGR_PHONE».

Continuation Coverage Election Form

Instructions: To elect continuation coverage, complete this Election Form and return it to us. You have sixty (60) days after the date of this notice to decide whether you want to elect continuation coverage, and to pay for any continuation coverage that you elect.

Send completed Election Form to: RMHP COBRA Billing Team, P.O. Box 10600, Grand Junction, CO 81502, or you may email it to cobrabilling@rmhp.org, or fax it to 970-244-7769.

This Election Form must be completed and returned by mail, email or fax by «Date1». If mailed, it must be post-marked no later than «Date1». If sent to us by email or fax, it must be received by us by «Date1».

If you do not submit a completed Election Form and make payment by the due date shown above, you will lose your right to elect continuation coverage. If you reject continuation coverage before the due date, you may change your mind as long as you furnish a completed Election Form and make payment before the due date. Elected continuation coverage will be retroactive to the date following your loss of coverage.

Read the important information about your rights included in the pages after the Election Form.

I (We) elect continuation coverage in the «GRGR_NAME» Group Health Plan (the Plan) for the individuals listed below. I can elect to cover myself and dependents noted, or remove individuals by writing "NONE" on the "Coverage option(s) elected" line.

I understand that I can not add new dependents who were not covered at the time I lost coverage.

| Name | Date of Birth | Relationship to Employee | SSN (or other identifier) |
|------|---------------|--------------------------|---------------------------|
|------|---------------|--------------------------|---------------------------|

a. _____

Coverage option(s) elected (medical, dental, vision, none, etc.): _____

b. _____

Coverage option(s) elected (medical, dental, vision, none, etc.): _____

c. _____

Coverage option(s) elected (medical, dental, vision, none, etc.): _____

Signature

Date

Print Name

Relationship to individual(s) listed above

Print Address

Telephone number

Important Information about Your Continuation Coverage Rights

What is continuation coverage?

Colorado state law requires that employers who offer group health plan (the Plan) coverage offer employees whose employment is terminated, and their covered dependents who lose their Plan coverage because of the employee's termination of employment, the employee's change in marital status, or the employee's death, the opportunity to continue Plan coverage for up to eighteen months.

This continuation coverage is the same coverage that the Plan gives to other active employees and their dependents 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 active employees and their dependents covered under the Plan, including open and special enrollment rights.

How long will continuation coverage last?

Continuation coverage may last for up to eighteen months. It will end on the earliest of (a) the date through which premiums for continuation coverage are paid; (b) the date other group health plan coverage becomes available to a person covered under continuation coverage; (c) the date a person covered under continuation coverage becomes covered by Medicare; (d) the date a person covered under continuation coverage becomes covered by Medicaid; or (e) the date the Plan coverage terminates for other participants or beneficiaries under the Plan who are not receiving continuation coverage.

How can you elect continuation coverage?

To elect continuation coverage, you must complete the Election Form and furnish it according to the directions on the form. Each former employee and his or her covered dependents may elect continuation coverage separately.

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage will affect your future rights under federal law. First, you can lose the right to avoid having preexisting condition exclusions applied to you by other group health plans if you have more than a ninety (90) day gap in health coverage, and election of continuation coverage may help prevent such a gap. Second, you will lose the right to purchase individual health coverage (known as conversion coverage) that does not impose a pre-existing condition exclusion if you do not elect continuation coverage for the maximum time available to you.

How much does continuation coverage cost?

Continuation coverage costs 100% of the premium that is charged by Rocky Mountain Health Plans to the Plan sponsor for the coverage provided to other active employees and their dependents under the Plan.

The Trade Act of 2002 created a tax credit for certain individuals who become eligible for trade adjustment assistance and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC). Under the tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage.

If you have questions about these provisions, you may call the Health Coverage Tax Credit Customer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.

When and how must payment for continuation coverage be made?

Though payment for elected continuation coverage need not accompany your Election Form, payment must be made in full, in good funds, by the date the Election Form is due. Payment for subsequent months of coverage is billed on or about the fifth of the month prior to the month for which CCOC coverage is sought, and is due on the first of the month for which CCOC coverage is sought. If premium for CCOC coverage is not timely paid, then you will be sent a late notice on or about the tenth of the month. If payment is not received by the last day of the month, your CCOC coverage will be terminated the end of that month. You are responsible to RMHP for all unpaid premium; your coverage will not be terminated retroactively. You will be responsible for paying claims for health care services you receive after continuation coverage ends.

You may contact Rocky Mountain Health Plans' COBRA Billing Team, at P.O. Box 10600, Grand Junction, CO 81502, or you may email us at cobrabilling@rmhp.org, or fax us at 970-244-7769, or call us at 970-244-7975, option 5, or toll free at 800-515-5153, option 5 to confirm the correct amount of your first payment.

Your payment(s) for continuation coverage should be sent to:

RMHP COBRA Billing Team
P.O. Box 10600
Grand Junction, CO 81502

For more information

This notice does not fully describe continuation coverage or other rights with respect to your coverage. More information is available from your Plan Administrator, «GRGR_NAME», «GRGR_ADDR1», «GRGR_ADDR2», «GRGR_CITY», «GRGR_STATE» «GRGR_ZIP», «GRGR_PHONE».

If you have any questions concerning the information in this notice or your rights to coverage you should contact the RMHP COBRA Billing Team, P.O. Box 10600, Grand Junction, CO 81502, or you may email us at cobrabilling@rmhp.org, or fax us at 970-244-7769, or call us at

970-244-7975, option 5, or toll free at 800-515-5153, option 5. You may also contact the Plan Administrator, at «GRGR_NAME», «GRGR_ADDR1», «GRGR_ADDR2», «GRGR_CITY», «GRGR_STATE» «GRGR_ZIP», «GRGR_PHONE».

For more information about your rights under state law, contact the Colorado Division of Insurance, 1560 Broadway, Suite 850, Denver, Colorado 80202, 303-894-7499, toll-free outside Denver, 800-930-3745.

Keep Your Plan Informed of Address Changes

In order to protect you and your family's rights, you should keep Rocky Mountain Health Plans informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to Rocky Mountain Health Plan.

Certificate of Creditable Coverage

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) imposes nationwide standards on all group health plans. Colorado laws have also been amended to conform to HIPAA requirements.

HIPAA rules generally apply to all employer plans covering two or more employees. One of the many requirements of HIPAA involves providing a Certificate of Creditable Coverage (CCC) to be sent to anyone losing coverage under a group health plan. The certificates are used by individuals who lose such group coverage to obtain "credit" toward any pre-existing condition limitation period of group plans and to obtain individual plan coverage.

The law and regulations describe three events that will trigger CCCs. A CCC must be provided when the following occur:

- Automatically upon a loss of coverage, for any reason, under a plan (including due to a COBRA or Colorado Continuation of Coverage (CCOC) Qualifying Event).
- Automatically upon the loss or exhaustion of COBRA or CCOC.
- At any time upon an individual's request within 24 months after coverage under the plan ends.

Rocky Mountain Health Plans will assist employer groups in meeting their HIPAA and Colorado law requirements by issuing CCCs for all plans. There is no charge to employers for this assistance. Under HIPAA rules, employer groups are not required to issue duplicate certificates if another entity provides them to employees and dependents.

However, in order for RMHP to meet the requirements established by HIPAA, it is imperative that each employer group provide timely and accurate termination information on all employees and dependents to RMHP.

Upon receipt of termination information from the employer, RMHP will generate a Certificate of Creditable Coverage, providing the information required by HIPAA and Colorado law. A copy of a sample certificate is enclosed in this section.

To print a disenrollment form from our website, go to www.rmhp.org then select “Employer Groups,” “Plan Administrator Resources,” “Commonly Used Forms.”

You can also complete and submit the Disenrollment form electronically from our website. Go to www.rmhp.org then select “Employer Groups,” “Plan Administrator Resources,” “Submit an Employee Disenrollment Form.”

SAMPLE



Subscriber Name
Address
Address

IMPORTANT
The persons listed in this document have lost coverage.
KEEP THIS CERTIFICATE as a permanent record. You may need it to obtain future coverage.

Certificate of Group Health Plan Coverage
Group Health Plan Name: Group Name Group Health Plan

Name Identification Number Waiting Period Coverage Period
Subscriber Name
Dependent 1 Name
Dependent 2 Name
Dependent 3 Name
Dependent 4 Name

STATEMENT OF HIPAA PORTABILITY RIGHTS

This certificate is evidence of your coverage under this plan. Under a federal law known as HIPAA, you may need evidence of your coverage to reduce a preexisting condition exclusion period under another plan, to help you get special enrollment in another plan, or to get certain types of Individual health coverage even if you have health problems.

Preexisting condition exclusions. Some group health plans restrict coverage for medical conditions that existed before an individual’s enrollment. These restrictions are known as “preexisting condition exclusions.” Preexisting condition exclusions can apply only to conditions for which medical advice, diagnosis, care, or treatment was recommended or received within the 6 months (or 12 months for Business Groups of One) before your “enrollment date.” Your enrollment date is your first day of coverage under the plan, or, if there is a waiting period, the first day of your waiting period (typically, your first day of work). In addition, a preexisting condition exclusion cannot last for more than 12 months after your enrollment date (18 months if you are a late enrollee). Finally, preexisting condition exclusions cannot apply to pregnancy and cannot apply to a child who is enrolled in health coverage within 30 days after birth, adoption, or placement for adoption.

If a plan imposes a preexisting condition exclusion, the length of the exclusion must be reduced by the amount of your prior creditable coverage. Most health coverage is creditable coverage, including group health plan coverage; COBRA continuation coverage; coverage under an individual health policy, Medicare, Medicaid, or State Children’s Health Insurance Program (CHIP); and coverage through high-risk pools and the Peace Corps. Not all forms of creditable coverage are required to provide certificates like this one. If you do not receive a certificate for past coverage, talk to your new plan administrator.

You can add up any creditable coverage you have, including the coverage shown on this certificate. However, if at any time you went for 90 days or more without any coverage (called a break in coverage) a plan may not have to count the coverage you had before the break.

Therefore, once your coverage ends, you should try to obtain alternative coverage as soon as possible to avoid a 90-day break. You may use this certificate as evidence of your creditable coverage to reduce the length of any preexisting condition exclusion if you enroll in another plan.

Right to get special enrollment in another plan. Under HIPAA, if you lose your group health plan coverage, you may be able to get into another group health plan for which you are eligible (such as a spouse's plan), even if the plan generally does not accept late enrollees, if you request enrollment within 30 days. (Additional special enrollment rights are triggered by marriage, birth, adoption, and placement for adoption.)

Therefore, once your coverage ends, if you are eligible for coverage in another plan (such as a spouse's plan), you should request special enrollment as soon as possible.

Prohibition against discrimination based on a health factor. Under HIPAA, a group health plan may not keep you (or your dependents) out of the plan based on anything related to your health. Also, a group health plan may not charge you (or your dependents) more for coverage, based on health, than the amount charged a similarly situated individual.

Right to individual health coverage. Under HIPAA, if you are an "eligible individual," you have a right to buy certain individual health policies (or in some states, to buy coverage through a high-risk pool) without a preexisting condition exclusion. To be an eligible individual, you must meet the following requirements:

- You have had coverage for at least 18 months without a break in coverage of 90 days or more;
- Your most recent coverage was under a group health plan (which can be shown by this certificate);
- Your group coverage was not terminated because of fraud or nonpayment of premiums;
- You are not eligible for COBRA continuation coverage or you have exhausted your COBRA benefits (or continuation coverage under a similar state provision); and
- You are not eligible for another group health plan, Medicare, or Medicaid, and do not have any other health insurance coverage.

The right to buy individual coverage is the same whether you are laid off, fired, or quit your job.

Therefore, if you are interested in obtaining individual coverage and you meet the other criteria to be an eligible individual, you should apply for this coverage as soon as possible to avoid losing your eligible individual status as a result of a 90-day break.

Conversion Offer. If your employer is a "small employer" as defined under Colorado law, and if you are ineligible for COBRA, Colorado Continuation of Coverage or conversion coverage, Rocky Mountain Health Plans offers you the opportunity to enroll in either a basic health benefit plan or a standard health benefit plan of the same type (i.e., traditional indemnity, preferred provider or health maintenance organization) as the existing small group coverage that you previously had. You have only a limited time to accept our offer; please contact us to learn further about our offer and how to accept our offer. You are not entitled to accept this offer if you lost nexus to existing small group coverage for fraud or abuse in procuring or utilizing coverage.

State flexibility. This certificate describes minimum HIPAA protections under federal law. States may require insurers and HMOs to provide additional protections to individuals in that state.

For more information. If you have questions about your HIPAA rights, you may contact your state insurance department or the U.S. Department of Labor, Employee Benefits Security Administration (EBSA) at 866-444-3272 (for free HIPAA publications ask for publications concerning changes in your health care laws). You may also contact the Centers for Medicare & Medicaid Services (CMS) publication hotline at 800-633-4227 (ask for "Protecting Your Health Insurance Coverage"). These publications and other useful information are also available on the Internet at <http://www.dol.gov/ebsa>; the DOL's interactive web pages, *Health Elaws*; or <http://www.cms.hhs.gov/hipaa1>

For further information, please call our Customer Satisfaction, Monday through Friday, 8:00 a.m. to 5:00 p.m.

- RMHMP Members residing in Colorado, call 970-243-7050 or 800-346-4643.

- WINhealth Partners Members residing in Wyoming, call 800-840-2211.
- If you are hearing impaired and use TTY equipment, call 800-704-6370.
- Para asistencia en español llame al 800-346-4643
- Rocky Mountain Health Plans, 2775 Crossroads Blvd., Grand Junction CO 81506

Plans underwritten by Rocky Mountain HMO or Rocky Mountain HealthCare Options

EBM15R12/11/06

Section Five

Consolidation Omnibus Budget Reconciliation Act (COBRA) Information

Federal law requires employers of 20 or more employees to offer continuing coverage under a group health plan for a specified period of time when, as a result of a change in the covered employee's eligibility status, the covered employee and/or his or her dependents are no longer eligible for coverage. Employers may face large fines for noncompliance with continuation of coverage provisions.

RMHP can, upon written request, provide administrative assistance, at no charge, to help you comply with the law, and the following pages will help you understand how these laws affect you and the ways in which RMHP is prepared to assist you.

The following pages include:

- Summary of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)
- RMHP Policies Regarding Employers Affected by COBRA
- Notification Requirements
- Notice of Qualifying Event for Continuation of Coverage
- Sample form for Notice of Right to Elect Continuation of Coverage Under COBRA
- Explanation and Sample Form of Certificate of Credible Coverage

The following information is a brief summary of COBRA. If you have any question about this information, you should read the applicable statutes and regulations and contact your legal counsel and your RMHP group representative.

Summary of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)

What Is COBRA?

On April 7, 1986, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) was signed into law (Pub.L.99-272). Title X of COBRA amends the Internal Revenue Code, Public Health Service Act, and Title I of the Employee Retirement Income Security Act of 1974 (ERISA). Title I of ERISA was amended to require that employers offer continuing group health plan coverage to covered employees and/or their dependents for a specified period of time when, as a result of a change in eligibility status, the covered employee and/or his or her dependents are no longer eligible for coverage under a group health plan. COBRA was amended by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), which was signed into law (Pub. L. 104-191) on August 21, 1996. The changes made to COBRA by Section 421 of HIPAA as amended are incorporated.

Which Employers Are Required to Comply?

COBRA affects private employers who maintain group health plans (other than church plans) and have 20 or more employees on more than 50% of the working days during the previous calendar year. State and local governments are also subject to COBRA, under the Public Health Service Act.

Who Is the Plan Administrator?

The Plan Administrator is the person (or entity) designated as the Plan Administrator by the terms of the employee benefit plan. If a Plan Administrator is not so designated, the employer is generally the Plan Administrator of an employee benefit plan established or maintained by a single employer. **RMHP is not the Plan Administrator for COBRA purposes.**

Who Is Eligible for COBRA Continuation Coverage?

People eligible for continued coverage under COBRA are known as Qualified Beneficiaries. With respect to a covered employee under a group health plan, a Qualified Beneficiary is generally an individual who on the day before a Qualifying

Event affecting the covered employee was a beneficiary under the group health plan. A Qualified Beneficiary can be the covered employee, the spouse of the covered employee, the dependent child of the covered employee, or a child born to or placed for adoption with the covered employee during a period of COBRA continuation coverage.

Eligibility for COBRA continuation coverage cannot be conditioned upon evidence of the Qualified Beneficiary's insurability.

What Is a Qualifying Event?

A Qualifying Event is a specific event that, but for COBRA continuation coverage, would result in the Qualified Beneficiary losing eligibility for health coverage under the employer-sponsored group plan. This also includes an employer's filing of a bankruptcy petition.

What Is the Deadline for Election?

A Qualified Beneficiary may elect continuation of coverage within 60 days after:

- the date coverage terminated as a result of the Qualifying Event, or
- the date on which the Qualified Beneficiary received notice of eligibility for continued coverage from the plan administrator or employer, whichever occurs later.

What Kind of Coverage Is Available?

During the continuation of coverage period, a Qualified Beneficiary is to have coverage identical to the type of coverage provided under the group health plan for similarly situated beneficiaries who have not experienced a Qualifying Event.

How Long Does COBRA Last?

COBRA continuation coverage begins on the date of the Qualifying Event and continues until the last day of the applicable 18-, 29-, or 36-month continuation coverage period (described later in this section) UNLESS one of the following termination events occurs:

- The employer ceases to provide group health coverage for active employees;
- The Qualified Beneficiary fails to make timely payment of the premiums;
- The Qualified Beneficiary becomes covered under another plan that does not contain any exclusion or limitation with respect to any pre-existing condition limitations or if the exclusions or limitations for pre-existing conditions in the other group health plan would not apply to the Qualified Beneficiary (or would be satisfied by the Qualified Beneficiary) due to the requirements enacted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA);
- The Qualified Beneficiary becomes entitled to Medicare; or
- The Qualified Beneficiary is using the Disability Extension (described in the chart later in this section) and there has been a final determination that the Qualified Beneficiary is no longer disabled.

What Are the Premiums for Continuation Coverage?

Qualified Beneficiaries may be required to pay a premium for continuation coverage equal to 102% of the monthly group rate premium received during the period set forth above. Qualified Beneficiaries who receive extended continuation coverage through the Disability Extension may be required to pay a premium equal to 150% of the group rate premium for any month of coverage received after the 18th month.

What Is Available When COBRA Coverage Ends?

If the employer's group health plan allows for a conversion option, the Plan Administrator is required to notify the Qualified Beneficiaries of their conversion option rights during the last 180 days of the COBRA continuation coverage period.

If you have any questions about the preceding summary of COBRA, you should read the applicable statutes and regulations and contact your legal counsel and your RMHP Group Service Representative.

The following chart shows how Qualifying Events affect the COBRA continuation coverage eligibility and duration for Qualified Beneficiaries:

| Type of Qualifying Event | Who Is Eligible as a Qualified Beneficiary? | | | How Long Can COBRA Coverage Last?* |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------|------------------------------------|------------------------------------|
| | Covered Employee | Covered Employee's Spouse | Covered Employee's Dependent Child | |
| Death of covered employee | N/A | Yes | Yes | 36 months |
| Voluntary/involuntary termination of covered employee's employment (for any reason other than misconduct) | Yes | Yes | Yes | 18 months **, |
| Reduction in covered employee's hours of employment, resulting in loss of coverage | Yes | Yes | Yes | 18 months** |
| Divorce or legal separation of covered employee | N/A | Yes | N/A | 36 months |
| Covered employee becomes entitled to Medicare benefits (under Title XVIII of the Social Security Act) | N/A | Yes | Yes | 36 months |
| Employer's filing of bankruptcy petition | Yes*** | Yes+ | Yes++ | Lifetime |
| Covered employee's child no longer qualifies as a dependent child under the covered employee's group health plan | N/A | N/A | Yes | 36 months |
| <p>*For termination information, see "How Long Does COBRA Coverage Last?" on Page 4.</p> <p>**Disability Extension: If a Qualified Beneficiary is permanently disabled (under Social Security rules) at the time of the Qualifying Event or becomes disabled during the first 60 days of COBRA coverage <u>and</u> satisfies the applicable notice requirements, COBRA coverage can be extended from 18 months to 29 months under a Disability Extension. If a Qualified Beneficiary entitled to the Disability Extension has nondisabled family members who are entitled to COBRA continuation coverage, those nondisabled family members are also entitled to the 29-month Disability Extension with an increase in premium to 150% of premium.</p> <p>*** Covered subscriber who retired on or before the date of substantial elimination of coverage</p> <p>+ If survivor of deceased retired subscriber</p> <p>++ For spouses and dependent children, COBRA continues for lifetime of subscriber and then 36 more months.</p> | | | | |

RMHP Policy Statement Regarding COBRA Assistance to Employers

As an employer, you are responsible for making sure you comply with federal COBRA continuation of coverage statutes and regulations with regards to your former employees and any qualified beneficiaries. Any legal questions about your full range of responsibilities should be directed to your legal counsel. However, RMHP is happy to provide some limited administrative help if you ask us for assistance. For health plans or optional coverage offered or sponsored by RMHP, we will provide COBRA qualified beneficiaries with notices of qualifying events and COBRA election forms, as well as notices of early termination of COBRA continuation coverage. RMHP does not provide the initial COBRA notice of rights that is required of employers or the notice that continuation of coverage is not available to beneficiaries who do not meet COBRA requirements.

The following information is provided to describe (a) the employer's responsibilities to RMHP and (b) the scope of RMHP administrative assistance to employers who have agreed to receive this assistance from RMHP.

Employer Agrees to:

- Provide a General Notice of COBRA Continuation of Coverage Rights to each covered employee and spouse of such covered employee (in a Summary Plan Description or separately) not later than 90 days after the date on which the employee's and/or spouse's coverage with RMHP commences.
- Provide Notice of Unavailability of COBRA Continuation of Coverage if COBRA Continuation of Coverage (or an extension of the length of such coverage) is unavailable to a person who has requested it.
- Be responsible for the accuracy of all information provided to RMHP, including but not limited to addresses, names, Qualifying Event dates, and the eligibility of Qualified Beneficiaries for COBRA continuation of coverage rights.
- Authorize RMHP to conduct billing and generate certain (but not all) notification documents on behalf of employer .
- Provide notice to RMHP, using the format found on the forms included in this section, and complete all information requested on the forms.
- Provide notice to RMHP within 30 days if:

Any of the following events occurs:

- the covered employee dies
- the covered employee is terminated
- the covered employee has a reduction in hours of employment
- the covered employee becomes entitled to Medicare
- the employer files for bankruptcy
- notice is received from a Qualified Beneficiary that one of the following events has occurred:
 - divorce or legal separation
 - child loses dependent status
 - accept coverage under another group health plan
- Determine a Qualified Beneficiary to be eligible for continuation coverage under COBRA, then
 - submit a completed Disenrollment Form or Change Form to end coverage (sample forms are included)
- Bill the ARRA "Assistance Eligible Individual" Qualified Beneficiaries directly for 35% of the COBRA premium payments.
- Indemnify and hold RMHP harmless from any and all claims, demands, causes of action, expenses, penalties, court costs, attorneys' fees, and any fines imposed by COBRA or any other law, or any other damages that may result or arise as a result of inaccurate information provided by employer or employer's failure to provide notice to RMHP. Employer also agrees to hold RMHP harmless from any dispute arising from employer's failure to comply with the provisions of COBRA or employer's interpretation of the administration of those laws.

RMHP Agrees to:

- Send a COBRA Continuation of Coverage Election Form to the eligible covered employee and/or his/her dependents, who are Qualified Beneficiaries within 14 days of the timely receipt of a completed Disenrollment Form or Change Form from employer.
- Reinstatement Qualified Beneficiaries retroactively, after receiving a completed COBRA Continuation of Coverage Election Form from Qualified Beneficiaries with the full premium payment. Each Qualified Beneficiary will then be listed on separate sheets that will be included with your monthly premium statement.
- Coverage can be continued through COBRA ONLY IF: (a) there is no lapse in coverage; and (b) RMHP has received all retroactive premiums. Qualified Beneficiaries or employers, as the case may be, may make their **first** premium payment within 45 days after electing COBRA Continuation of Coverage; however, all premiums due for retroactive coverage must also be paid at the time the initial premium payment is made.
- Bill the Qualified Beneficiaries directly for COBRA premium payments.
- Notify the Qualified Beneficiary and employer if COBRA continuation coverage is terminated because a Qualified Beneficiary fails to pay the premium within the payment period established.
- Notify the Qualified Beneficiary and employer if COBRA continuation coverage is terminated for any other reason before the full term of continuation coverage to which the Qualified Beneficiary is entitled is exhausted.
- Notify the employer of any requests RMHP receives from any person who is not entitled to COBRA continuation coverage, or to an extension of COBRA continuation coverage, so that the employer may send such person a Notice of Unavailability of COBRA Continuation of Coverage.
- Monitor each Qualified Beneficiary's COBRA continuation coverage period, and if the employer's group health plan allows for a conversion option, notify each Qualified Beneficiary of his/her conversion option rights within the last 180 days of the COBRA continuation coverage period.

Notification Requirements for Administering COBRA

Employer Responsibilities

Initial Notice to Employee/Dependents

When an employee and, if applicable, his/her spouse initially become covered under the group health plan, the employer/plan administrator is required within 90 days to provide the newly covered employee and his/her spouse with a notice detailing the rights to continuation coverage benefits and the obligations of eligible beneficiaries under the requirements of COBRA. **RMHP does not have this responsibility.**

Notices to RMHP

If you ask RMHP for its administrative assistance with your COBRA responsibilities, you are responsible for notifying RMHP within 30 days of the occurrence of any of the following events:

- the covered employee dies
- the covered employee is terminated
- the covered employee has a reduction in hours of employment
- the covered employee becomes entitled to Medicare
- the employer files for bankruptcy

When an employer determines that as a result of one or more of the events listed above a Qualified Beneficiary is eligible for continuation coverage under COBRA, the employer is required to:

- submit a completed Disenrollment Form to RMHP to end coverage as soon as possible

AND

To print a Disenrollment Form from our website, go to www.rmhp.org then select “Employer Groups,” “Plan Administrator Resources,” “Commonly Used Forms.”

You can also complete and submit the Disenrollment Form electronically from our website. Go to www.rmhp.org then select “Employer Groups,” “Plan Administrator Resources,” “Submit an Employee Disenrollment Form.”

COBRA Notice of Qualifying Event and Instructions

An employer/plan administrator is required to notify all Qualified Beneficiaries of their rights to continuation coverage under COBRA within 44 days of the qualifying event. (A sample notice that RMHP would use if it is providing COBRA administrative assistance to you is included.)

It is the legal responsibility of the employer to provide this notification to the covered employee and his/her dependents. If you ask RMHP for its administrative assistance with your COBRA responsibilities, RMHP will provide this notice on behalf of your employee welfare benefit plan’s administrator.

Qualified Beneficiary Responsibilities

A Qualified Beneficiary is responsible for notifying the employer/plan administrator and RMHP within 30 days of the occurrence of any of the following events:

- divorce or legal separation
- child loses dependent status
- accept coverage under another group health plan.

RMHP offers no administrative assistance to you in connection with this notice to you required from Qualified Beneficiaries. If RMHP is notified by a Qualified Beneficiary of any of these events, it will direct the Qualified Beneficiary to contact you, the employer. An employee may nonetheless complete an RMHP “Change Form” with this information.

To print a Change Form from our website, go to www.rmhp.org then select “Employer Groups,” “Plan Administrator Resources,” “Commonly Used Forms.”

You can also complete and submit the Change Form on behalf of your employee electronically from our website. Go to www.rmhp.org then select “Employer Groups,” “Plan Administrator Resources,” “Submit an Employee Disenrollment Form.”

Notice of Qualifying Event for Continuation of Coverage

Qualifying Event Notice and Election Form

If you ask RMHP for its administrative assistance with your COBRA responsibilities, please complete and submit a Disenrollment Form (for loss of employee and then-covered dependent coverage) or a Change Form (for loss of Dependent Coverage only) to RMHP when a Qualified Beneficiary experiences any of the following:

- the covered employee dies
- the covered employee is terminated
- the covered employee has a reduction in hours of employment
- the covered employee becomes entitled to Medicare
- the employer files for bankruptcy

- notice is received from a Qualified Beneficiary that one of the following events has occurred:
- divorce or legal separation
- child loses dependent status
- accept coverage under another group health plan

The Disenrollment Form or Change Form provides RMHP with the information necessary to, on behalf of your plan's administrator, contact the Qualified Beneficiary and present the Continuation of Coverage provisions and election form.

Please Note: This notice is not to be confused with the Initial COBRA Notice that is provided to employees and spouses when they are first covered by the plan.

«Print_Date»

«SRN» - 2B

«Subscriber_Name»
«SBAD_ADDR1»
«SBAD_ADDR2»
«SBAD_CITY», «SBAD_STATE» «SBAD_ZIP»

SAMPLE

Dear: «Subscriber_Name» , «Spouse_Name», «Dependent1» , «Dependent2», «Dependent3», «Dependent4», «Dependent5», «Dependent6», «Dependent7», «Dependent8»

COBRA Continuation Coverage Election Notice

This notice contains important information about your right to continue your health care coverage in the «GRGR_NAME» Group Health Plan (the Plan). The Plan has requested RMHP's assistance in providing you this notice. Please read the information contained in this notice very carefully.

To elect COBRA continuation coverage, follow the instructions on the following pages to complete the enclosed Election Form and submit it to RMHP.

If you do not elect COBRA continuation coverage, your coverage under the Plan will not recommence.

Each listed person ("qualified beneficiary") is entitled to elect COBRA continuation coverage, which will continue group health care coverage under the Plan for up to 18 months from the date of the loss of coverage following the qualifying event of termination of employment.

If elected, COBRA continuation coverage will begin on «CC_Begin» and can last until no later than 18 months, or, in the event of disability, 29 months or, up to 36 months following specific qualifying events.

Based upon the covered family members that were enrolled on the date you lost coverage, COBRA continuation coverage will cost:

Medical «Med»

Dental «Den»

Vision «Vis»

Total Due: «Total»

Except for children that are newborn or adopted while COBRA is in effect, you are not entitled to add dependents to receive COBRA continuation coverage if such dependents were not covered on the day before you lost coverage.

You do not have to send any payment with the Election Form, but you must pay the premiums for all months of COBRA premium from the date at the top of this page. Payment must be received no later than forty-five (45) days after you send in your Election Form. You will pay your full COBRA premiums directly to RMHP. Important additional information about payment for COBRA continuation coverage is included in the pages following the Election Form.

If you have any questions about this notice or your rights to continuation coverage, you may contact RMHP by calling 970-244-7975, option 5, or toll free at 800-515-5153, option 5.

RMHP COBRA Billing Team
P.O. Box 10600
Grand Junction, CO 81502
Email: cobrabilling@rmhp.org
Fax: 970-244-7769

You may also contact the Plan Administrator at «GRGR_NAME», «GRGR_ADDR1», «GRGR_ADDR2», «GRGR_CITY», «SBAD_STATE» «SBAD_ZIP», «GRGR_PHONE».

COBRA Continuation Coverage Election Form

Instructions: To elect COBRA continuation coverage, complete this Election Form and return it to us. Under federal law, you have sixty (60) days after the date of this notice to decide whether you want to elect COBRA continuation coverage under the Plan.

Send completed Election Form to: RMHP COBRA Billing Team, P.O. Box 10600, Grand Junction, CO 81502, or you may email it to cobrabilling@rmhp.org, or fax it to 970-244-7769.

This Election Form must be completed and returned by mail, email or fax by «Date1». If mailed, it must be post-marked no later than «Date1». If sent to us by email or fax, it must be received by us by «Date1».

If you do not submit a completed Election Form by the due date shown above, you will lose your right to elect COBRA continuation coverage. If you reject COBRA continuation coverage before the due date, you may change your mind as long as you furnish a completed Election Form before the due date.

Read the important information about your rights included in the pages after the Election Form

I (We) elect COBRA continuation coverage in the «GRGR_NAME» Group Health Plan (the Plan) for the individuals listed below. I can elect to cover myself and dependents noted, or remove individuals by writing "NONE" on the "Coverage option(s) elected" line.

Except for children that are newborn or adopted while COBRA is in effect, I understand that I can not add dependents who were not covered at the time I lost coverage.

| Name | Date of Birth | Relationship to Employee | SSN (or other identifier) |
|------|---------------|--------------------------|---------------------------|
|------|---------------|--------------------------|---------------------------|

a. _____

Coverage option(s) elected (medical, dental, vision, none, etc.): _____

b. _____

Coverage option(s) elected (medical, dental, vision, none, etc.): _____

c. _____

Coverage option(s) elected (medical, dental, vision, none, etc.): _____

Signature

Date

Print Name

Relationship to individual(s) listed above

Print Address

Telephone number

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 open enrollment and special enrollment rights.

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 only for up to a total of 18 months following your original loss of coverage. 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 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 first becomes covered, after electing continuation coverage, under another group health plan that does not impose any preexisting condition exclusion for a preexisting condition of the qualified beneficiary,
- a qualified beneficiary first 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 a participant or beneficiary not receiving continuation coverage (such as fraud).

How can you extend the length of COBRA continuation coverage?

If you elect continuation coverage, an extension of the maximum period of coverage up to 36 months may be available if a qualified beneficiary is disabled or a second qualifying event occurs after an earlier qualifying event that entitles a qualified beneficiary to 18 months of COBRA continuation coverage. You must notify RMHP 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.

Disability

An 11-month extension of coverage may be available if any of the qualified beneficiaries is determined under the Social Security Act (SSA) to be disabled. The disability has to have started at some time on or before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. Qualified beneficiaries seeking a disability extension must notify their plan administrator (usually the employer that is sponsoring the Plan) of the SSA disability determination within 60 days of the determination and before the end of the 18-month period of COBRA coverage. 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 to no longer be disabled under the SSA, you must notify the Plan of that fact within 30 days after that 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 legal 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 even 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 continue 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 a failure to continue your group health coverage will affect your future rights under federal law. First, you can lose the right to avoid having preexisting condition exclusions applied to you by other group health plans if you have a 90-day gap in health coverage, and election of continuation coverage may help prevent such a gap. Second, you will lose the guaranteed right to purchase individual health coverage that does not impose a preexisting condition exclusion if you do not elect continuation coverage for the maximum time available to you. Finally, 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.

The Trade Act of 2002 created a tax credit for certain individuals who become eligible for trade adjustment assistance and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC). Under the tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage.

If you have questions about these provisions, you may call the Health Coverage Tax Credit Customer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.

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 not later than 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 will pay your full COBRA premiums directly to RMHP. You may contact RMHP 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. Premiums due RMHP are due on the first day of the month for which COBRA continuation coverage is provided. 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. RMHP will send periodic notices of payments due for these coverage periods for premiums due RMHP.

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 may be suspended as of 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.

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 the Plan Administrator.

Private sector employees seeking more information about rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, can contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) at 1-866-444-3272 or visit the EBSA website at www.dol.gov/ebsa. State and local government employees should contact HHS-CMS at www.cms.hhs.gov/COBRAContinuationofCov/ or NewCobraRights@cms.hhs.gov.

Keep Your Plan Informed of Address Changes

In order to protect you and your family's rights, you should keep the Plan Administrator informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

Certificate of Creditable Coverage

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) imposes nationwide standards on all group health plans. Colorado laws have also been amended to conform to HIPAA requirements.

HIPAA rules generally apply to all employer plans covering two or more employees. One of the many requirements of HIPAA involves providing a Certificate of Creditable Coverage (CCC) to be sent to anyone losing coverage under a group health plan. The certificates are used by individuals who lose such group coverage to obtain "credit" toward any pre-existing limitation of group plans and to obtain individual plan coverage.

The law and regulations describe three events that will trigger CCCs. A CCC must be provided when the following occur:

- Automatically upon a loss of coverage, for any reason, under a plan (including due to a COBRA or Colorado Continuation of Coverage (CCOC) Qualifying Event).
- Automatically upon the loss or exhaustion of COBRA or CCOC.
- At any time upon an individual's request within 24 months after coverage under the plan ends.

Rocky Mountain Health Plans will assist employer groups in meeting their HIPAA and Colorado law requirements by issuing CCCs for all plans. There is no charge to employers for this assistance. Under HIPAA rules, employer groups are not required to issue duplicate certificates if another entity provides them to employees and dependents.

However, in order for RMHP to meet the requirements established by HIPAA, it is imperative that each employer group provides timely and accurate termination information on all employees and dependents to RMHP.

Upon receipt of termination information from the employer, RMHP will generate a CCC, providing the information required by HIPAA and Colorado law. A copy of a sample certificate is enclosed in this section.

SAMPLE



**ROCKY MOUNTAIN
HEALTH PLANS®**

We understand Colorado. We understand you.

IMPORTANT

The persons listed in this document have lost coverage.

KEEP THIS CERTIFICATE as a permanent record. You may need it to obtain future coverage.

Subscriber Name
Address
Address

Certificate of Group Health Plan Coverage

Group Health Plan Name: Group Name Group Health Plan

Name Identification Number Waiting Period Coverage Period

Subscriber Name

Dependent 1 Name

Dependent 2 Name

Dependent 3 Name

Dependent 4 Name

STATEMENT OF HIPAA PORTABILITY RIGHTS

This certificate is evidence of your coverage under this plan. Under a federal law known as HIPAA, you may need evidence of your coverage to reduce a preexisting condition exclusion period under another plan, to help you get special enrollment in another plan, or to get certain types of Individual health coverage even if you have health problems.

Preexisting condition exclusions. Some group health plans restrict coverage for medical conditions that existed before an individual's enrollment. These restrictions are known as "preexisting condition exclusions." Preexisting condition exclusions can apply only to conditions for which medical advice, diagnosis, care, or treatment was recommended or received within the 6 months (or 12 months for Business Groups of One) before your "enrollment date." Your enrollment date is your first day of coverage under the plan, or, if there is a waiting period, the first day of your waiting period (typically, your first day of work). In addition, a preexisting condition exclusion cannot last for more than 12 months after your enrollment date (18 months if you are a late enrollee). Finally, preexisting condition exclusions cannot apply to pregnancy and cannot apply to a child who is enrolled in health coverage within 30 days after birth, adoption, or placement for adoption.

If a plan imposes a preexisting condition exclusion, the length of the exclusion must be reduced by the amount of your prior creditable coverage. Most health coverage is creditable coverage, including group health plan coverage; COBRA continuation coverage; coverage under an individual health policy, Medicare, Medicaid, or State Children's Health Insurance Program (SCHIP); and coverage through high-risk pools and the Peace Corps. Not all forms of creditable coverage are required to provide certificates like this one. If you do not receive a certificate for past coverage, talk to your new plan administrator.

You can add up any creditable coverage you have, including the coverage shown on this certificate. However, if at any time you went for 90 days or more without any coverage (called a break in coverage) a plan may not have to count the coverage you had before the break.

Therefore, once your coverage ends, you should try to obtain alternative coverage as soon as possible to avoid a 90-day break. You may use this certificate as evidence of your creditable coverage to reduce the length of any preexisting condition exclusion if you enroll in another plan.

Right to get special enrollment in another plan. Under HIPAA, if you lose your group health plan coverage, you may be able to get into another group health plan for which you are eligible (such as a spouse's plan), even if the plan generally does not accept late enrollees, if you request enrollment within 30 days. (Additional special enrollment rights are triggered by marriage, birth, adoption, and placement for adoption.)

Therefore, once your coverage ends, if you are eligible for coverage in another plan (such as a spouse's plan), you should request special enrollment as soon as possible.

Prohibition against discrimination based on a health factor. Under HIPAA, a group health plan may not keep you (or your dependents) out of the plan based on anything related to your health. Also, a group health plan may not charge you (or your dependents) more for coverage, based on health, than the amount charged a similarly situated individual.

Right to individual health coverage. Under HIPAA, if you are an "eligible individual," you have a right to buy certain individual health policies (or in some states, to buy coverage through a high-risk pool) without a preexisting condition exclusion. To be an eligible individual, you must meet the following requirements:

- You have had coverage for at least 18 months without a break in coverage of 90 days or more;
- Your most recent coverage was under a group health plan (which can be shown by this certificate);
- Your group coverage was not terminated because of fraud or nonpayment of premiums;
- You are not eligible for COBRA continuation coverage or you have exhausted your COBRA benefits (or continuation coverage under a similar state provision); and
- You are not eligible for another group health plan, Medicare, or Medicaid, and do not have any other health insurance coverage.

The right to buy individual coverage is the same whether you are laid off, fired, or quit your job.

Therefore, if you are interested in obtaining individual coverage and you meet the other criteria to be an eligible individual, you should apply for this coverage as soon as possible to avoid losing your eligible individual status as a result of a 90-day break.

Conversion Offer. If your employer is a "small employer" as defined under Colorado law, and if you are ineligible for COBRA, Colorado Continuation of Coverage or conversion coverage, Rocky Mountain Health Plans offers you the opportunity to enroll in either a basic health benefit plan or a standard health benefit plan of the same type (i.e., traditional indemnity, preferred provider or health maintenance organization) as the existing small group coverage that you previously had. You have only a limited time to accept our offer; please contact us to learn further about our offer and how to accept our offer. You are not entitled to accept this offer if you lost nexus to existing small group coverage for fraud or abuse in procuring or utilizing coverage.

State flexibility. This certificate describes minimum HIPAA protections under federal law. States may require insurers and HMOs to provide additional protections to individuals in that state.

For more information. If you have questions about your HIPAA rights, you may contact your state insurance department or the U.S. Department of Labor, Employee Benefits Security Administration (EBSA) at 866-444-3272 (for free HIPAA publications ask for publications concerning changes in your health care laws). You may also contact the Centers for Medicare & Medicaid Services (CMS) publication hotline at 800-633-4227 (ask for "Protecting Your Health Insurance Coverage"). These publications and other useful information are also available on the Internet at <http://www.dol.gov/ebsa>; the DOL's interactive web pages, *Health Elaws*; or <http://www.cms.hhs.gov/hipaa1>

For further information, please call our Customer Satisfaction, Monday through Friday, 8:00 a.m. to 5:00 p.m.

- RMHMP Members residing in Colorado, call 970-243-7050 or 800-346-4643.
- WINhealth Partners Members residing in Wyoming, call 800-840-2211.
- If you are hearing impaired and use TTY equipment, call 800-704-6370.
- Para asistencia en español llame al 800-346-4643
- Rocky Mountain Health Plans, 2775 Crossroads Blvd., Grand Junction CO 81506

Plans underwritten by Rocky Mountain HMO or Rocky Mountain HealthCare Options

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