



**ROCKY MOUNTAIN**

**HEALTH PLANS<sup>®</sup>**

Good health. That's the plan.

# **EMPLOYER GROUP MANUAL**

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## 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 Group Service Representative 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. The Subscriber and his/her enrolled dependents collectively are referred to as a Subscriber Contract.

## Rocky Mountain Health Plans Products

<b>Plans underwritten by Rocky Mountain HMO (RMHMO)</b>	<b>Plans underwritten by Rocky Mountain HealthCare Options (RMHCO)</b>
C1, C3, C8, C15K C1000 C5000 NC50 Good Health Savings Plans HDHP HMO Rocky Mountain Choice HMO Rocky Mountain Direct HMO RMHMO HMO Standard Health Benefit Plan for Colorado* RMHMO HMO Basic Limited Mandate Health Benefit Plan for Colorado*	Good Health Savings Plans HDHP PPO Indemnity Plans Rocky Mountain Choice PPO Rocky Mountain Direct EPO Rocky Mountain Direct PPO 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, Gunnison, and Routt;
- administer the state's Medicaid program in several Western Slope counties; and
- administer the state's Child Health Plan Plus (CHP+) program in Delta, Mesa, and Montrose 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 Enrollment Forms, Change Forms, and Disenrollment Forms **immediately upon completion or mail them with the billing affected** 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 clear, 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 Health Benefits Contract 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 of 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) 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; coverage starts on the anniversary date. 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). A Group Service Representative 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 before, change health plans if 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 6).

#### 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 representative will provide, include a full 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 sent to Rocky Mountain Health Plans no later than 30 days following the 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 is a checklist to follow in offering RMHP to new employees.

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

- The employee has completed all appropriate sections of the Enrollment Form, **including selection of a Primary Care Physician and Other Health Insurance Information**, and has also signed the form. Please see Exhibit B — Enrollment Form for more information.
- For small employer groups (up to 50 employees), all new enrollees must complete the Previous Health Insurance Information Form included in the enrollment application. Please refer to Exhibit D — (Does not apply to groups enrolling in RMHMO HMO Standard Health Benefit Plan for Colorado or RMHMO HMO Basic Limited Mandate Health Benefit Plan for Colorado.)
- 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 15 working days. Please note: An ID card will not be issued unless the Enrollment Form is complete and signed.
- An Enrollment Form 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 may be delayed 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 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 the month following payment in full of the outstanding copayment balance.

## 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 promptly is greatly appreciated. To help simplify this procedure, we have designed Change Forms (see Exhibit C) to be used to report all changes.

1. **Addition of Newborn or Adopted Child:** If an **enrolled** employee adds a newborn or adopted child, 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 must be added to the plan within 31 days of birth or acquisition, and changes in premium are due the first billing period following such event. Please submit a Change Form (see Exhibit C) with complete information signed by the employee, along with copies of the adoption records.

2. **Court or Administrative Order to Cover a Dependent:** If an **enrolled** employee or 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.

**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.

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 **or** on the first of the month following the date of marriage **if** a request for enrollment is made within 30 days from the date of marriage.

**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 16<sup>th</sup> 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 1<sup>st</sup> and the 15<sup>th</sup> 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.

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. 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 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 Creditable Coverage (see Exhibit D).

***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 16<sup>th</sup> 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 1<sup>st</sup> and the 15<sup>th</sup> of the month.*** Please submit an Enrollment Form.

## **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).

## **Enrollment of Dependents age 19 - 25**

If an employee or covered spouse has a dependent between the ages of 19 and 25 who is currently not enrolled as a covered dependent, the dependent may enroll in the plan if he/she becomes eligible as a result of newly meeting dependent status requirements. Pre-existing condition limitations will apply for small employer enrollees who do not have proof of Creditable Coverage (see Exhibit D).

**Notification and Billing Requirements:** The employee must request enrollment within 30 days of the dependent's change in dependent status. Please submit a Change Form (see Exhibit C), Previous Health Insurance Form (see Exhibit D), and Certificate of Dependent Status (see Exhibit F).

## **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

**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 are rehired within 90 days of termination may enroll at date of rehire and waive the eligibility waiting period.

## **Other Changes**

- For changes of name, address, or new dependents, etc., that do not affect the amount due, 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 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.

All coverage changes and terminations, if made by the 10<sup>th</sup> 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.

**E-Mail:** You can fill out an online Disenrollment Form and e-mail to us. Go to <https://www.rmhp.org/employers/disenrollment.aspx>. At the bottom of the page, select **Electronic Disenrollment Notification Form.** Complete the form and click “Submit.”

**Fax:** Download and print the form from our website, click <http://www.rmhp.org/pdf/forms/MK231-R1005-Disenrollment%20Form.pdf>

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

970-244-7769

Attn: ENROLLMENT DEPARTMENT

**Mail:** Download and print the Disenrollment Form from our website, click <http://www.rmhp.org/pdf/forms/MK231-R1005-Disenrollment%20Form.pdf>

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, **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.

- If the employee qualifies for self-paid continuation of coverage and you have requested RMHP's administrative assistance with your COBRA/CCOC responsibilities, the Notice to RMHP of Qualifying Event for Continuation of Coverage on the back of the Disenrollment Form must also be completed. 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.**

### **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, a covered child's marriage, dependent child reaching the age limit of the plan (for most plans, end of the month the child turns age 19 or end of the month the child turns 25 if dependent meets dependent status requirements), or a child no longer meeting the general eligibility requirements under the Health Benefits Contract.

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, click
- <http://www.rmhp.org/pdf/forms/MK158-R1105-Change%20Form.pdf>

If the dependent qualifies for self-paid continuation of coverage and you have requested RMHP's administrative assistance with your COBRA/CCOC responsibilities, you must also complete the form Notice to RMHP of Qualifying Event for Continuation of Coverage. (See Exhibit B). To print this form from our website, click

<http://www.rmhp.org/pdf/forms/Mk210-R1005-Notice%20of%20Qualifying%20Event%20COBRA-CCOC.pdf>

## **COBRA and Colorado Continuation of Coverage**

Rocky Mountain Health Plans upon written request will provide administrative support to assist you with compliance of some of the provisions of the law. Concerning COBRA (Consolidated Omnibus Budget Reconciliation Act) and Colorado Continuation of Coverage 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 Notice to RMHP of Qualifying Event for Continuation of Coverage form found on the back of the Disenrollment Form (see Exhibit G).

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

Please complete, along with the Disenrollment or Change Form, the Notice to RMHP of Qualifying Event for Continuation of Coverage form describing the qualifying 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 Health Benefits Contract.

## **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 fill out 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. Reimbursement will be considered.

### **Dependents**

- Family coverage includes your spouse and your children who are unmarried and dependent on you for financial support. 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**

The RMHP Enrollment Form 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
- 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

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

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

Completed Enrollment Forms should be sent to RMHP immediately so our records and the corresponding premium billings will be current and up-to-date.

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 Enrollment Form. 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 open enrollment period for the employer group.

To print this form from our website, click <http://www.rmhp.org/pdf/forms/Mk235-R1005-Enrollment%20Form%20-%20Group.pdf>

You may also 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](http://www.rmhp.org), click on Employers & Brokers, then Request Employee Packets. 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.**
- If the dependent being dropped qualifies for self-paid continuation of coverage and you have requested RMHP’s administrative assistance with your COBRA/CCOC responsibilities, the employee must also complete the Notice to RMHP of Qualifying Event for Continuation of Coverage. To print this form from our website, click

<http://www.rmhp.org/pdf/forms/Mk210-R1005-Notice%20of%20Qualifying%20Event%20COBRA-CCOC.pdf>

To print a Change Form from our website, click <http://www.rmhp.org/pdf/forms/MK158-R1105-Change%20Form.pdf>

#### 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 Plans for Colorado or the RMHMO HMO Basic Limited Mandate Health Benefit Plan for Colorado

The Previous Health Insurance Information (Prior Creditable Coverage) section of the Enrollment Form is to be completed 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.

If the enrollee has had Prior Creditable Coverage within 90 days from 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; or (d) a state health benefits risk pool (including but not limited to CoverColorado).

The Prior Creditable Coverage section must be submitted to RMHP with the Enrollment Form 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, RMHP can assist with obtaining proof of such coverage, as long as the prior coverage information is listed on the form.

To print the Enrollment Form from our website, click

<http://www.rmhp.org/pdf/forms/Mk235-R1005-Enrollment%20Form%20-%20Group.pdf>

To print the Previous Health Insurance Form alone, click

<http://www.rmhp.org/pdf/forms/Mk157-R1005-Previous%20Health%20Information.pdf>

You may also 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](http://www.rmhp.org), click on Employers & Brokers, then Request Employee Packets. Or call your RMHP account manager.

## **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.

If we are providing administrative support to assist you with compliance with some of your Continuation of Coverage obligations, **you must submit The Notification of Qualifying Event for Continuation of Coverage Form**. See Exhibit G in this section and Section Four for more information. The Notification of Qualifying Event for Continuation of Coverage Form is on page 2 of the Disenrollment Form.

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 a Disenrollment Form from our website, click <http://www.rmhp.org/pdf/forms/MK231-R1005-Disenrollment%20Form.pdf>

You can also complete and submit the Disenrollment and Notification of Qualifying Event for Continuation of Coverage forms electronically from our website. Go to <https://www.rmhp.org/employers/disenrollment.aspx>. At the bottom of the page, select each of the documents, complete, and click "Submit."

## **Exhibit F — Dependent Children age 19 - 25**

Rocky Mountain Health Plans covers eligible dependent children through the end of the calendar month in which the dependent becomes 19 years of age. An eligible dependent child who meets the dependent status requirements will be eligible for coverage through the end of the calendar month in which the dependent becomes 25 years of age. A Certificate of Dependent Status Form must be provided to RMHP.

Each calendar year, RMHP will mail a letter to those Subscribers with dependents who are or will shortly be at the age 19 limit, requesting completion of dependent status form. A Certification of Dependent Status form will be included with the letter and must be returned to RMHP. If the dependent does not meet the eligibility requirement, coverage for the dependent is terminated and the Subscriber and Employer Group are notified.

To print a Certification of Dependent Status form from our website, click [http://www.rmhp.org/pdf/forms/FA38\\_R1005\\_Certificate\\_of\\_Dependent\\_Status.pdf](http://www.rmhp.org/pdf/forms/FA38_R1005_Certificate_of_Dependent_Status.pdf)

## **Exhibit G — Notice of Qualifying Event for Continuation of Coverage**

When a terminating RMHP member is eligible for continuation of health care coverage under COBRA or Colorado Continuation of Coverage law and you have requested RMHP's administrative assistance with your COBRA/CCOC responsibilities, the employer should complete and submit a Notice of Qualifying Event for Continuation of Coverage Form. If the member is not eligible for Continuation of Coverage, then RMHP will send conversion information.

To print the Notice of Qualifying Event for Continuation of Coverage from our website, click <http://www.rmhp.org/pdf/forms/Mk210-R1005-Notice%20of%20Qualifying%20Event%20COBRA-CCOC.pdf>

You can also complete and submit this form electronically from our website. Go to [https://www.rmhp.org/employers/qualifying\\_event.aspx](https://www.rmhp.org/employers/qualifying_event.aspx). At the bottom of the page, select Electronic Qualifying Event for Continuation of Coverage Form. Fill out the form and click "Submit."

## **Exhibit H — Waiver Form**

### **For Small Employer Groups with up to 50 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.

**Please Note:** The Waiver Form must be completed when an employee's dependents choose to waive their right 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 open enrollment period for the employer group.

To print a Waiver Form from our website, click <http://www.rmhp.org/pdf/forms/Mk105-R1005-Employee-Dependent%20Waiver.pdf>

You may also 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](http://www.rmhp.org), click on Employers & Brokers, then Request Employee Packets. Or call your RMHP account manager.

## **Exhibit I — 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, click <http://www.rmhp.org/pdf/forms/Ms26-R1004-Transition%20of%20Care.pdf>.

You may also 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](http://www.rmhp.org), click on Employers & Brokers, then Request Employee Packets. Or call your RMHP account manager.

## Section Three

### Premium Billing

As a prepaid health plan, RMHP sends premium billings on or about the 15<sup>th</sup> 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 24 and 25.

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.

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.

## **Vision/Dental/Chiropractic Coverage**

Premium billings for employer groups that offer additional dental, vision, or chiropractic coverage will reflect premium due on these coverages.



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	
	<b>Total Due</b>	<b>\$ 800.14</b>	<b>Please Pay This Amount</b>

Message : 1  
 TOTAL BALANCE DUE BY 1<sup>ST</sup> OF THE MONTH

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



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
			<hr/>	<hr/>	<hr/>
		Current Bill Total	800.14	0.00	800.14
		Balance Carried Forward		0.00	
			<hr/>	<hr/>	<hr/>
		Total			\$ 800.14

## **Section Four**

### **Colorado Continuation of Coverage Law Information**

In certain circumstances, Colorado state law requires employers to offer continued coverage 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 of 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 to RMHP of Qualifying Event for Continuation of Coverage
- 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.**
- Submit to RMHP a completed Notice to RMHP of Qualifying Event for Continuation of Coverage form as soon as possible. If member is not eligible for Continuation of Coverage (see Qualifying Events on page 28) 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 Notice to RMHP of Qualifying Event for Continuation of Coverage form 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).
- 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 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 have 20 or more employees.

### **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**

Employer shall notify all covered employees in writing of their right to continuation of coverage benefits in accordance with the Colorado Continuation of Coverage Law requirements at the time such employees first become covered under the group health plan. Such notice shall include the rights and obligations of eligible Qualified Beneficiaries under the law, including but not limited to:

- The employee's right to elect to continue the existing coverage at the applicable rate after covered for six consecutive months under the group health plan or a replaced group health plan providing similar benefits;
- The amount the employee must pay monthly to the employer to retain coverage, which payment shall include the employer's contribution for such employee in addition to the employee's own contribution;
- The manner in which and the office of the employer/carrier to which payments must be made;
- The time by which the payment to the employer must be made to retain coverage; and
- The fact that loss of coverage will result if timely payment is not made to the employer.

As required by law, RMHP Health Benefits Contracts provide 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:

- 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 be in the format as provided to employers by RMHP in the Notice to RMHP of Qualifying Event for Continuation of Coverage and 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 Qualified 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 Qualified 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 Qualified Beneficiaries who elect to continue coverage.
- Failure on the part of the Qualified Beneficiary to pay the premium within the payment period established will result in termination of coverage. RMHP will notify the employer and the Qualified Beneficiary of such termination.
- RMHP shall monitor the length of the continuation of coverage period and shall notify eligible Qualified 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 the employer with the Colorado Continuation of Coverage law, RMHP will send the Qualifying Beneficiary a Notice of Right to Elect Colorado Continuation of Coverage and Election Form after we receive a Notice of Qualifying Event when a Qualified Beneficiary experiences either of the following:

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

This Notice of Qualifying Event provides RMHP with the information necessary to contact the Qualified Beneficiary and present the Colorado Continuation of Coverage provisions and election form.

To print a Notice of Qualifying Event for Continuation of Coverage form from our website, click <http://www.rmhp.org/pdf/forms/Mk210-R1005-Notice%20of%20Qualifying%20Event%20COBRA-CCOC.pdf>



# Notice of Right to Elect Colorado Continuation of Coverage

April 3, 2007

«FirstName» «LastName»  
«Address1»  
«Address2»  
«City», «State» «PostalCode»

**SAMPLE**

Rocky Mountain Health Plans (RMHP) has recently been notified of the termination of your group health plan coverage. This letter is to inform you that under the provisions of the Colorado Continuation of Coverage Law, you have the option to retain your RMHP group health plan for a period of 18 months. 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 emergency care. Please see the enclosed Election Form for premium amounts and the effective date of continued coverage.

Continuation of coverage may terminate early if:

- The required premium payment is not paid when due.
- You or your spouse or dependent child(ren), if any, become eligible for coverage under another group health plan that does not contain any exclusion or limitation for any of your pre-existing conditions.
- You or your spouse or dependent child(ren), if any, become covered by Medicare or Medicaid.
- All of the company's group health plans are terminated.

If you become eligible for coverage by another group insurance plan, you may continue RMHP coverage through the 18-month period only if there is a pre-existing condition that is excluded by the other plan. If the new group plan does not exclude a pre-existing condition, the RMHP coverage must be terminated.

Whether or not you choose continuation of coverage, please complete and return the Election Form in the enclosed envelope for our records. If you wish to choose continuation of coverage, the enclosed Election Form must be completed, and payment of the required premium must be made within 60 days from the date of termination of coverage. Thereafter, you will receive a monthly billing.

During the continuation of coverage period, you will be responsible for paying the monthly premiums. The amount payable to RMHP is 100% of the monthly rate charged by RMHP to the employer that previously offered your group coverage. This rate will change if the employer's rates change. If your group plan is "age rated," rates will be based on the age of the subscriber. If the subscriber's birthday results in a change to a new age category, the premium will increase on the first day of the month following that birthday.

RMHP has been pleased to provide you with comprehensive health plan coverage and looks forward to continuing your membership should you so choose. If you have any questions, please contact «BillingRep» in the RMHP Member Enrollment & Billing Department at 970-«PhoneNumber» or 800-843-0719 ext.«Extension».

Continuation coverage is provided subject to your eligibility. RMHP reserves the right to terminate your continuation coverage retroactively if you are determined to be ineligible for coverage. To be sure that you, your spouse, and your dependent child(ren), if any, receive the necessary information concerning your rights, you should keep your employer and RMHP informed of any address changes. This notice is a summary of your continuation coverage rights. For answers to specific questions, please contact RMHP at the telephone number listed above.

You may be eligible for the CoverColorado plan if the CoverColorado premium is less than the continuation of coverage plan premium. Please see the CoverColorado Plan Notice included with this letter.

April 3, 2007

«FirstName» «LastName»  
Billing Representative: «BillingRep»

ID#: «AccountNumber»

**SAMPLE** 2B

## Colorado Continuation of Coverage Election Form

Your continuation period is for 18 months, and your monthly continuation premium is \$«PremMedDenVisChiro».

To reactivate RMHP coverage effective «EffectiveDate», **please remit premium** for the month(s) of «PremiumMonths», totaling \$«TotalPremiumDue», as soon as possible. Once you have elected coverage, we will bill you monthly. **Please include payment with this form.**

I have read this form and the Notice of Right to Elect Colorado Continuation of Coverage. I understand my rights to elect continuation of coverage and would like to take the action indicated below. I understand that if I elect continuation of coverage and I fail to pay any premium payment on time, this coverage will terminate. I also agree to notify RMHP if I or any member of my family become(s) eligible for coverage under another group health plan or covered by Medicare or Medicaid. **I understand that my continuation of coverage through RMHP is contingent on my previous employer's continued participation with RMHP.**

**Please check ONE only:**

- I elect to continue family coverage (including\_\_ excluding\_\_ myself) with RMHP.** (Only to be checked by those Qualified Beneficiaries who had family coverage before the Qualifying Event.)

List dependents to be covered:

Names	Relationship	Date of Birth
_____	_____	_____
_____	_____	_____
_____	_____	_____

- I elect to continue single coverage with RMHP.**

Name	Relationship (if dependent or spouse)	Date of Birth
_____	_____	_____

- I have read this form and the Notice to Elect Colorado Continuation of Coverage. I am waiving my right to continuation of coverage under the plan.**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Anniversary Date: \_\_\_\_\_ «AnniversaryMonth»  
(Rate change may occur on the first of this month.)

Social Security Number: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

ADDRESS CORRECTION REQUESTED:

Current Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_

**IF PREMIUM PAYMENT IS NOT RECEIVED ON TIME, COVERAGE WILL TERMINATE AND MAY NOT BE REINSTATED.**

## 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 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.



For plans underwritten by Rocky Mountain HMO  
or Rocky Mountain HealthCare Options, Inc.

«DATE»

**SAMPLE**

«SUBNAME»

«ADDR1»

«ADDR2»

«ADDR3»

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

## Certificate of Group Health Plan Coverage

**Employer Name:** «GROUPNAME»

**Name Identification Number Waiting Period Coverage Period**

«SUBHDR»

«MEM1»

«DEPHDR»

«MEM2»

«MEM3»

«MEM4»

«MEM5»

«MEM6»

«MEM7»

«MEM8»

«MEM9»

### 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.

**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 970-244-7760 or 800-843-0719

## 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 stiff 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
- Initial COBRA Notice and Instructions
- Model Statement
- Notice of Qualifying Event for Continuation of Coverage
- Notice of Right to Elect Continuation of Coverage Under COBRA
- COBRA Continuation of Coverage Election Form and CoverColorado Plan Notice Form
- 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), and employers were required to comply at the time their health plan year began or renewed, on or after July 1, 1986. 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 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 group health 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 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 18<sup>th</sup> month.

### **What Is Available When COBRA Coverage Ends?**

If the employer's group health plan allows for a conversion option, RMHP may be 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

\*For termination information, see "How Long Does COBRA Coverage Last?" on Page 4.

\*\*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 and 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.

\*\*\* Covered subscriber who retired on or before the date of substantial elimination of coverage

+ If survivor of deceased retired subscriber

++ For spouses and dependent children, COBRA continues for lifetime of subscriber and then 36 more months.

## **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 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 to end coverage (a sample form is included)

AND

- submit a completed Notice to RMHP of Qualifying Event for Continuation of Coverage form (a sample notice is included).
- 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 Notice to RMHP of Qualifying Event for Continuation of Coverage form from employer.
- Reinstate 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 a separate sheet 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 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. (A sample notice is included; **you must tailor this notice to your own requirements.**)

#### 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
- submit a completed Notice to RMHP of Qualifying Event for Continuation of Coverage form to RMHP within 30 days of the date of the Qualifying Event. This form is page 2 of the Disenrollment Form.

To print the Disenrollment Form from our website, click <http://www.rmhp.org/pdf/forms/MK231-R1005-Disenrollment%20Form.pdf>

## 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 or your employees 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.**

## Sample Form: Initial COBRA Notice

The Model Statement on the following page is the required notice to be given to:

- each participant when he or she first becomes covered by the plan, and
- each spouse of a participant when that spouse first becomes covered by the plan.

The Statement, written in large part by the Department of Labor, describes in general terms the rights provided by COBRA to Qualified Beneficiaries and the notice and other obligations imposed upon individuals under COBRA.

**Note that it is essential** that the employer/plan administrator distribute Initial COBRA Notices to each covered participant and to each covered spouse as required by the Initial COBRA Notice rules. This is because, if a covered participant or a covered spouse fails to receive the Initial COBRA Notice as required, the Employer may not be able to hold the participant or spouse to the notice deadlines Imposed on Qualified Beneficiaries under COBRA, making the Employer liable, in perpetuity, for COBRA-related obligations to those Qualified Beneficiaries.

The Initial COBRA Notice is not to be confused with the Qualifying Event Notices that are sent to Qualified Beneficiaries upon the occurrence of a Qualifying Event.

**You must customize this notice to distribute to all eligible employees.**

Legend of terms in this document:

[Employer's Name] or [Name of Employer] = insert the name of your company

[Group Health Plan] or [Plan] = insert RMHP and the name of the plan your Company has with RMHP (i.e., RMHP NC50)

[Plan Administrator] = insert the name of the designated individual or entity who administers your health care benefits, if applicable, or the name of your company

# Model Statement

## INITIAL COBRA NOTICE

**SAMPLE**

TO: All Employees Covered Under the [ *insert*: FULL LEGAL NAME OF PLAN] and Their Covered Spouses  
FROM: [ *insert*: FULL LEGAL NAME OF PLAN]  
DATE: [ *insert* ]  
RE: Continuation Coverage Requirements for Health Plans

A federal law known as COBRA requires that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called “continuation coverage”) at group rates in certain instances where coverage under the plan would otherwise end. This Notice is intended to inform you in a summary fashion of your rights and obligations under the continuation coverage provisions of the law. (If both the employee and spouse are covered by the plan, then both should take the time to read this Notice carefully.)

If you are an employee of [ *insert*: Name of Employer] and are covered by [ *insert*: FULL LEGAL NAME OF PLAN] (called “the plan” in this Notice), you have the right to choose this continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the spouse of an employee and you are covered by the plan, you have the right to choose continuation coverage for yourself if you lose group health coverage under the plan for *any* of the following four reasons:

- The death of your spouse;
- A termination of your spouse’s employment (for reasons other than gross misconduct) or a reduction in your spouse’s hours of employment with the employer sponsoring the plan;
- Divorce or legal separation from your spouse;
- Your spouse becomes entitled to (that is, covered by) Medicare.

In the case of a covered dependent child of an employee, he/she has the right to choose continued coverage if group health coverage under the plan is lost for *any* of the following five reasons:

- The death of the employee;
- The termination of the employee’s employment (for reasons other than gross misconduct) or a reduction in the employee’s hours of employment with the employer sponsoring the plan;
- The employee’s divorce or legal separation;
- The employee becomes entitled to (that is, covered by) Medicare;
- The dependent ceases to be a “dependent child” under the plan.

[If the plan provides retiree health coverage, add the following paragraph:

Sometimes, filing a proceeding in bankruptcy under Title 11 of the U.S. Code can be an event that entitles a Qualified Beneficiary to continuation coverage. If a proceeding in bankruptcy is filed with respect to [insert: Name of Employer] and that bankruptcy results in the loss of coverage of any retired employee covered under the plan, the retired employee will become a Qualified Beneficiary with respect to the bankruptcy. The retired employee’s spouse, surviving spouse, and dependent children will also become Qualified Beneficiaries if bankruptcy results in the loss of their coverage under the plan.]

## **You must give notice of some events that entitle you to elect continuation coverage:**

Under the law, the employee or a family member has the responsibility to inform the Plan Administrator of a divorce, a legal separation, or of a child losing dependent status under the plan, within 60 days of the event. You must provide this notice to [*insert: appropriate name, or Plan Administrator*]. [*Add description of procedures under the plan required for providing this notice, i.e., “in writing to the Plan Administrator at the address given at the end of this Notice.”*]

The Employer has the responsibility to notify the Plan Administrator of the employee’s death, termination, reduction in hours of employment, [*add if plan provides retiree coverage: commencement of a proceeding in bankruptcy with respect to the employer*], or Medicare entitlement.

## **How is continuation coverage provided?**

When the Plan Administrator is notified that one of these events has happened, the Plan Administrator will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above to inform the Plan Administrator that you want continuation coverage. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children. Children born to or placed for adoption with a covered employee during a continuation coverage period also have the right to elect COBRA continuation coverage.

You do not have to show that you are insurable to choose continuation coverage. However, continuation coverage under COBRA is provided subject to your eligibility for coverage. The Plan Administrator reserves the right to terminate your COBRA coverage retroactively if you are determined to be ineligible.

Under the plan, [*choose appropriate information: you must pay the entire premium OR you must pay \_\_\_ percent of the premium OR your employer will pay the premium*] for your continuation coverage, plus an additional 2 percent (there is an additional 50 percent for coverage during any disability extension). After a qualifying event occurs, the Plan Administrator may inform you that your employer may pay all or part of the premium for a certain period of time. There is a grace period of at least 30 days for payment of the regularly scheduled premium.

If you do not choose continuation coverage, your group health insurance coverage will end.

## **Length of continuation coverage**

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee’s becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child’s losing eligibility as a dependent child, COBRA continuation coverage lasts 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. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). Otherwise, when the qualifying event is the end of employment or reduction of the employee’s hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months.

## **There are two ways in which the 18-month period of COBRA continuation coverage can be extended.**

### **Disability extension of 18-month period of continuation coverage**

The 18 months may be extended to 29 months if an individual is determined by the Social Security Administration to be disabled (for Social Security purposes) at any time during the first 60 days of COBRA continuation coverage. To benefit from this extension, you must notify the Plan Administrator of that determination within 60 days and before the end of the original 18-month period. You must provide this notice to [*insert*: appropriate name, or Plan Administrator]. [*Add description of procedures under the plan required for providing this notice*, i.e., “in writing to the Plan Administrator at the address given at the end of this Notice.”] If the individual entitled to the disability extension has nondisabled family members who are entitled to COBRA continuation coverage, these nondisabled family members are also entitled to the extension of the COBRA continuation coverage period from 18 to 29 months. A greater premium amount applies to the 11-month extension period. The affected individual(s) also must notify the Plan Administrator within 30 days of any final determination that the individual is no longer disabled.

### **Second qualifying event extension of 18-month period of continuation coverage**

Also, if your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child stops being eligible under the plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the plan had the first qualifying event not occurred.

### **Keep your plan informed of address changes**

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

## **How to get more information or contact the Plan Administrator**

Please note that this Notice is merely a summary of a very complicated federal law. In the event of any inconsistency between this Notice and federal law, federal law will control. Also, please note that this Notice does not fully describe continuation coverage or other rights under the plan. Contact your Plan Administrator or refer to your copy of the plan’s Summary Plan Description, or request a copy of it or of the plan’s governing documents, for details and more complete information.

If you have any questions about COBRA or the plan, please contact the Plan Administrator at the following address:

**[Enter name of Plan Administrator (or position), address, and phone number of persons from whom information can be obtained, and to whom notices should be sent]**

## 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 Notice of Qualifying Event for Continuation of Coverage 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

This Notice of Qualifying Event 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.

To print a copy of the Notice of Qualifying Event from our website, click

<http://www.rmhp.org/pdf/forms/Mk210-R1005-Notice%20of%20Qualifying%20Event%20COBRA-CCOC.pdf> and print page 2.

# Notice of Right to Elect Health Care Continuation Coverage

**SAMPLE**

DATE: April 3, 2007

TO: «FirstName» «LastName»  
«Address1» «Address2» «City», «State» «PostalCode»

Rocky Mountain Health Plans (RMHP) has been notified that your RMHP health care coverage listed on the attached election form under the Plan will terminate as of «Termdate» because of «TermReason». You have the right to elect to continue health care coverage under the Plan for up to «LengthofCoverage» from the date of termination by completing the attached election form and submitting that form to RMHP by the date 60 days from the date of this notice or the date 60 days from the date coverage terminates, if later. Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage.

## What is the cost to continue coverage?

If you elect to continue coverage, you must pay the entire cost of the coverage, in monthly installments. A monthly invoice will be sent to the address listed above. The current amount of this premium, which includes a 2% administration fee and the due date for payment, are explained in the attached election form. However, the premium may change in the future.

## How long will continuation coverage last?

If you elect coverage, it will last for as long as «LengthofCoverage» beginning on the date of termination of employment. If at the time of termination (or, for 60 days after continuation coverage begins) you or another Qualified Beneficiary are classified by the Social Security Administration as being disabled for Social Security purposes, the «LengthofCoverage» period is extended, at an increased premium, for up to 29 months. This extension applies only if you notify RMHP within 60 days of a disability determination and before the end of the «LengthofCoverage» period.

## The «LengthofCoverage» period also may be extended for the following reasons:

- (1) Death of employee, divorce, legal separation, or change in dependency status. If one of these events occurs during the «LengthofCoverage» initial coverage period, the coverage period for an employee's spouse and dependent children, if any, can be extended for up to 36 months from the initial qualifying event. This extension only applies if the spouse/dependent children notify RMHP of the subsequent event within 60 days of the subsequent event.
- (2) Employee's Medicare entitlement. If the employee becomes entitled to Medicare before an initial qualifying event, the spouse and dependent children, if any, may receive extended coverage for up to the greater of (a) 36 months from the date of the employee's Medicare entitlement or (b) 18 months from a termination or reduction in hours qualifying event. If the employee becomes entitled to Medicare after the termination or reduction in hours qualifying event but within 18 months thereafter, the spouse and dependent children, if any, may receive extended coverage for up to 36 months after the qualifying event.
- (3) Retirees in Bankruptcy. Special rules apply that extend coverage for certain retirees and their surviving spouses in an employer bankruptcy situation. Please contact RMHP if you would like information on these rules.

## Your health care continuation coverage may end before the maximum period for a number of reasons, including:

- (1) Your failure to pay the required premium in a timely fashion;
- (2) You become eligible for coverage under another group health plan that does not contain any exclusion or limitation for any pre-existing condition you may have, or you become entitled to Medicare;
- (3) The termination of all of the Employer's group health plans;
- (4) If coverage was extended to 29 months due to disability, a determination that the disability no longer exists.  
Note: Federal law requires that you inform RMHP of any final determination that you are no longer disabled.

## Keep RMHP and your Plan Administrator informed of address changes.

To be sure that you receive the necessary information concerning your health care continuation rights, you should keep RMHP informed of any address changes. RMHP does not administer the Plan, however, so you must also keep your Plan Administrator advised of address changes (contact the employer sponsoring your Plan if you are unsure who the Plan Administrator is).

Note that continuation coverage under the plan is provided subject to eligibility and all of the applicable terms of the Plan. RMHP and the Plan reserves the right to terminate continuation coverage retroactively if an individual is determined to be ineligible for coverage for any reason.

**What is the effect of not continuing coverage under the Plan?**

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 pre-existing condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of the continuation coverage may help you not have such a gap. Second, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not get 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 to get more information about your continuation rights.**

This Notice is a summary of your rights and obligations under the federal health care coverage continuation laws. It is not intended to inform you about any of the details of the Plan. You should refer to the Plan document and its Summary Plan Description for this information. If you have any specific questions about this notice or the attached election form, please contact «BillingRep» at «Phonenumber» in Grand Junction, CO, or our toll free number, 800-843-0719, ext. «Extension». If you have questions about other aspects of your Plan, you may also contact your Plan Administrator or the employer sponsoring your Plan if you are unsure who the Plan Administrator is. Here is the contact information we have for the employer sponsoring your plan:

«Employer»

«Employeraddress»

«EmployerCity», «EmployerState» «EmployerZip»

«EmployerPhone»

You may be eligible for the CoverColorado plan if the CoverColorado premium is less than the premium for continuation of coverage. **Please see the CoverColorado Plan Notice included with this letter.**

April 3, 2007

«FirstName» «LastName» ID#: «GrpSSNumber»

Billing Representative: «BillingRep»

## Election Form for Health Care Continuation Coverage

As explained in the notice of rights accompanying this form, you may elect health care continuation coverage under the Employer's group health plan (the "Plan"). If you would like to elect continuation coverage, please circle the appropriate option and sign this form and return it to RMHP as soon as possible. If you do not return this election form within 60 days of the date of the attached notice (or, if later, within 60 days of the date you would lose health care coverage), you will lose your right to elect coverage. If you do return this form, then, within 45 days after your election, you must pay a premium for the period of coverage from the date your coverage would otherwise terminate to the date of this election, in addition to any future monthly premium that becomes due during the 45-day period. The premium shown below is the premium you owe if you pay your premium when you return this Election Form to us. If you wait to pay your premium, you will need to contact RMHP to determine the premium you will owe. You must pay all outstanding premiums within forty-five days after your election period of COBRA continuation coverage. If you fail to pay this premium, as well as any other monthly premium, in a timely fashion, your coverage will terminate. **If you reside out of the service area, unless you were enrolled in a health coverage plan with out of network benefits, you will be covered for urgent and emergent care only!**

Circle any health coverage offered through RMHP that you wish to elect to continue. You will be deemed to have waived your right to elect to continue any coverage that is not circled. Please contact your Plan Administrator or employer sponsoring your Plan if you have any questions or if you have other benefits that are subject to COBRA continuation rights.

### Type of Health Coverage and Current Monthly Premium

#### Medical

Medical        \$ «Medical»  
 Dental        \$ «Dental»  
 Vision         \$ «Vision»  
 Chiropractic   \$ «Chiro»

**Total Due:**        \$ «TotalPremium» **Please include payment with this form.**

Premium amounts change from time to time and you will be notified of any change in this premium amount. If your group is age rated, rates will be based on the age of the subscriber. If the subscriber's birthday results in a change to a new age category, the premium will increase on the first day of the month following that birthday. Premium payments are due on the first day of each month of coverage, and must be received by the 30<sup>th</sup> day. If any premium payment is not received by RMHP on time, coverage will terminate.

The maximum period of coverage for which you are eligible is explained on the accompanying notice of rights.

Continuation health care coverage will be effective «EffectiveDate», and is provided subject to eligibility. RMHP reserves the right to terminate COBRA coverage retroactively if an individual is determined to be ineligible for coverage.

I understand that if I fail to pay any premium payment in a timely fashion, this coverage will terminate. I also agree to inform RMHP if I or a member of my family am/is/become(s) covered under another group health plan or eligible for Medicare.

### CHECK ONE:

I elect family continuation coverage under the Plan for the individuals listed below (NOTE: Available only for individuals who were covered under the Plan at the time of the event. Each Qualified Beneficiary has a separate right to elect continuation coverage):

I elect continuation coverage under the Plan only for myself.

I waive my right to continuation coverage under the Plan. However, if you change your mind you may request a new election form and submit to RMHP within 60 days of the termination date.

I HAVE READ THIS FORM AND THE NOTICE OF RIGHTS ACCOMPANYING THIS FORM AND I UNDERSTAND MY RIGHTS TO ELECT CONTINUATION COVERAGE.

\_\_\_\_\_  
 Name

\_\_\_\_\_  
 Social Security #

\_\_\_\_\_  
 Address

\_\_\_\_\_  
 Telephone #

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

Anniversary Month: «AnniversaryMonth»

(Rate change may occur on the first of this month.)

PLEASE MAIL THIS FORM AND PAYMENT TO: RMHP, PO Box 10600, Grand Junction, CO 81502

## 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 Certificate of Creditable Coverage, providing the information required by HIPAA and Colorado law. A copy of a sample certificate is enclosed in this section.

For plans underwritten by Rocky Mountain HMO  
or Rocky Mountain HealthCare Options, Inc.

**SAMPLE**

«DATE»

«SUBNAME»

«ADDR1»

«ADDR2»

«ADDR3»

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

## Certificate of Group Health Plan Coverage

**Employer Name:** «GROUPNAME»

**Name Identification Number Waiting Period Coverage Period**

«SUBHDR»

«MEM1»

«DEPHDR»

«MEM2»

«MEM3»

«MEM4»

«MEM5»

«MEM6»

«MEM7»

«MEM8»

«MEM9»

### 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.

**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 970-244-7760 or 800-843-0719