

Overview of COBRA

The federal COBRA law gives employees and their dependents* who lose health benefits the right to temporarily continue the same coverage under certain circumstances. These qualifying individuals make their own payments to the same group plan they had before. In your case, you were covered under The New York Hotel Trades Council & Hotel Association of New York City, Inc. **Health Benefits Fund**. For a copy of our Summary Plan Description, which explains Plan benefits and gives more detailed information on COBRA, please contact us or visit hotelfunds.org.

You have until *DATE TBD to choose continuation coverage*. If you do not respond by then, you will lose your right to continuation coverage. To elect continuation coverage, complete and return the enclosed "COBRA Continuation Coverage Election Form".

Each qualified beneficiary has a separate right to elect continuation coverage on his or her own, even if the formerly covered employee does not. Additionally, either parent may elect to continue coverage on behalf of one, several, or all dependent children.

Be aware that not continuing group health coverage will affect your future rights, such as your right to avoid having pre-existing condition exclusions applied to you by other group health plans when you have more than a 63-day gap in coverage. You will lose this right if you do not get continuation coverage for the maximum time available. Additionally, 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. You will also have the same special enrollment right at the end of continuation coverage if you continue coverage for the maximum time available to you.

Are there other coverage options besides COBRA Continuation Coverage?

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

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

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

Period of Continued Coverage:

If you choose continuation coverage, your coverage will be retroactively applied so that it starts on the day after your existing coverage ended. This means your first payment (see below rates) will need to cover the months up to your date of electing coverage. The initial period of available continuation coverage is generally 18 months. However, spouses and dependents who have lost coverage through the covered employee may be eligible for 36 months of continuation coverage. **The total maximum period of continuation coverage cannot exceed 36 months.**

Disability Extension: An 11-month extension may be available if a member or qualifying dependent is deemed disabled by the Social Security Administration (SSA). The disability must have started either during the original health care coverage or before the 60th day of continuation coverage and must last at least until the end of the 18-month period of continuation coverage. If the primary member experiences this disability, then the member and all dependents are entitled to the 11-month extension. If the disabled person is a dependent, then only that dependent is eligible for the 11-month extension. **See below for the higher coverage rates that apply for disability extensions.**

Second Qualifying Event Extension: An 18-month extension of coverage may be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. Such second qualifying events may include the death of a covered employee, divorce or separation from the covered employee, the covered employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), or a dependent child's loss of dependency status. A second qualifying event only occurs if it would have caused the qualified beneficiary to lose coverage under the Plan if the first qualifying event had not occurred. **It is your responsibility to notify us of second qualifying events within 60 days of their occurrence.**

**Note that domestic partners are not covered under COBRA continuation coverage.*

Your Responsibility

Coverage May End Early for Any of the Following Reasons:

- Payment is not received on time.
- A qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both), though the remaining qualifying beneficiaries can still receive continuation coverage.
- The employer ceases to provide any group health plan for its employees.
- A participant in the 19th to 29th month of disability-extended group health coverage is determined to be no longer disabled by the Social Security Administration.
- Any other reason for which the Plan would normally terminate coverage, such as an over-aged dependent child or fraud.

If continuation coverage or eligibility ends for any reason, it cannot be reinstated.

Notifying the Plan of Changes:

You or a family member must notify the COBRA Plan Administrator of an event or disability determination which might extend coverage within 60 days of its date, or the right to extend coverage will be lost. You must immediately notify us if you or a dependent no longer qualify for coverage or are determined to no longer be disabled by the Social Security Administration. In order to ensure your COBRA rights, make sure to notify us of any address changes for yourself and any dependents.

Payments:

Your first payment is due on *DATE TBD*. This first payment will cover the remainder of *DATE TBD* and all of *DATE TBD*. Each payment after that will be due on the first of the month and will cover that whole month's coverage. **You will not be sent invoices or late notices. It is your responsibility to send payments each month. If a payment is not received after 30 days of its due date, your coverage will terminate early and cannot be reinstated.**

Your first payment may be made up to 45 days from the date you elect coverage and must include payment for all months from and including the month continuation coverage begins. To prevent delays in claims payments, we suggest enclosing your first payment with the Election Form. No health care claims will be paid and you will not be able to receive health care services until your first payment has been received.

Payments may be made by credit or debit card in person or over the phone. Payments by check or money order may also be mailed to the below address payable to "Health Benefits Fund."

**ATTN: COBRA Accounting
New York Hotel Trades Council &
Hotel Association of New York City, Inc.
Health Benefits Fund
305 West 44th Street
New York, NY 10036**

Further Information:

For more information about your rights under ERISA (Employee Retirement Income Security Act), including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest local office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) or visit the EBSA website at www.dol.gov/ebsa.



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2020 COBRA Continuation Coverage Rates & Plans

The below chart shows available COBRA plans, the benefits they include and their cost. Each benefit will match what you previously had as an eligible member. (This includes Empire EPO Choice coverage, if applicable. However, EPO coverage is only available with plans that include Hospitalization coverage.) See our Summary Plan Description (available at HotelFunds.org or through our Funds Office) for a full explanation of benefits.

Coverage Plans	Medical Coverage	Members' Health Assistance Program	Hospitalization	Prescription	Dental	Optical	Individual Rate per Month	Family Rate per Month
COBRAD					✓		\$52.14 (\$76.68 during disability extension)	\$123.58 (\$181.73 during disability extension)
COBRAH			✓				\$296.08 (\$435.40 during disability extension)	\$701.70 (\$1,031.91 during disability extension)
COBRA1	✓	✓		✓			\$304.75 (\$448.15 during disability extension)	\$722.25 (\$1,062.13 during disability extension)
COBRA2	✓	✓		✓	✓		\$372.02 (\$547.10 during disability extension)	\$875.43 (\$1,287.39 during disability extension)
COBRA3	✓	✓	✓	✓			\$738.13 (\$1,085.49 during disability extension)	\$1,749.38 (\$2,572.62 during disability extension)
COBRA4	✓	✓	✓	✓	✓		\$805.41 (\$1,184.44 during disability extension)	\$1,902.56 (\$2,797.88 during disability extension)
COBRA5	✓	✓	✓	✓	✓	✓	\$812.80 (\$1,195.29 during disability extension)	\$1,920.04 (\$2,823.59 during disability extension)

The **Individual Rate** covers one person, either you *or* a spouse *or* a dependent.

The **Family Rate** can cover you and any number of eligible dependents.

The above disability extension rates apply only during the 11-month disability extension.

Rates are subject to change, depending on the cost of providing coverage. You will be advised of any rate changes.

Note that once you elect a COBRA coverage plan, you will not be able to change to a plan that includes more coverage than you had originally elected.* You can, however, change to a plan that includes less coverage at a later time.

* For the above-stated purposes, any plan including hospitalization coverage is considered "more" coverage than a plan that does not include hospitalization, even though a rate comparison may not always reflect this.

What is the Health Insurance Marketplace?

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

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

When can I enroll in Marketplace coverage?

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

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

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

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

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

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

Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you're eligible, you'll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.

What factors should I consider when choosing coverage options?

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

- Retiree less than 65: If you lose working coverage and are not yet Medicare eligible, obtaining coverage through the marketplace exchange will disqualify you from assigning Medicare Part B to the Health Benefits Fund in the future.
- Premiums: Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive.
- Provider Networks: If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- Drug Formularies: If you're currently taking medication, a change in your health coverage may affect your costs for medication and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- Severance payments: If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- Service Areas: Some plans limit their benefits to specific service or coverage areas - so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- Other Cost-Sharing: In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

For more information

This notice doesn't fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator.

If you have questions about the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, contact COBRA administration at 212-586-6400..

For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at www.dol.gov/ebsa or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace, and to locate an assister in your area who you can talk to about the different options, visit www.HealthCare.gov.