

Office and Professional Employees Locals 30 & 537 Health & Welfare and Retirement Trust Funds

Administered By: Benefit Programs Administration

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SUMMARY OF MATERIAL MODIFICATIONS

IMPORTANT NOTICE

Date: March 17, 2021

To: Participants in the OPEIU Locals 30 & 537 Health and Welfare Plan

Re: **EXTENSION OF DEADLINES DUE TO COVID-19 PANDEMIC**

We would like to update you on the extension of certain employee benefit plan deadlines that occur during the National Emergency that began on March 1, 2020 and will end 60 days after the announced end of the National Emergency (the “Outbreak Period”). Health plans must disregard the Outbreak Period when determining deadlines for filing claims and appeals, special enrollment of new dependents or for electing COBRA coverage and payment of COBRA premiums.

By federal law, the period that is disregarded cannot exceed one year and will terminate as of the *earlier* of (a) 1 year from the date that an individual or plan is first eligible for relief, or (b) the end of the Outbreak Period (60 days after the announced end of the National Emergency). This period is referred to in this notice as the “Suspension Period.” After the Suspension Period ends, the clock begins on any timeframe that started during the Suspension Period. If the timeframe began prior to the start of the National Emergency, the clock resumes running after the Suspension Period ends, and participants and beneficiaries will be permitted to use the remaining number of days they had prior to March 1, 2020.

The following examples illustrate when the Suspension Period ends so that the participants will know when the clock begins to run for any timeframe that requires action on their part.

I. **HIPAA special enrollment timeframes**

The usual 30-day deadline to request enrollment in this Trust Fund following a special enrollment event (i.e., marriage, birth, adoption or placement for adoption of a child, or loss of other health coverage) has been suspended during the Suspension Period and will restart on the earlier of one year following the date of the special enrollment event or 60 days following the announced end of the National Emergency.

Example 1: If an employee is married or has a new child on March 1, 2020, the employee will have until 30 days after the end of the Suspension Period to submit a request for special enrollment of the new spouse or child. Since the Suspension Period will end on February 28, 2021, the request to add the new child or spouse will be deemed timely if it is filed with the Administrative Office by March 30, 2021 (30 days after the end of the Suspension Period). In this

example, if a timely request is made by March 30, 2021, the new dependent will be eligible from the date of marriage, birth, or adoption (March 1, 2020).

Example 2: If an employee has a new child on February 15, 2020, then 15 days in February is subtracted from the 30-day timeframe to enroll the child. The employee will have until 15 days after the end of the Suspension Period to submit a request for special enrollment of the new child. Since the Suspension Period will end on February 28, 2021 for this employee, the request to add the new child will be deemed timely if it is filed with the Administrative Office by March 15, 2021 (15 days after the end of the Suspension Period). In this example, if a timely request is made by March 15, 2021, the new dependent child will be eligible from the date of birth or adoption (February 15, 2020).

Example 3: If an employee is married or has a new child on January 1, 2021, the employee will have until 30 days after the earlier of the end of the Outbreak Period or one year from the date of marriage, birth, or adoption to submit a request for special enrollment of the new spouse or child. If the National Emergency is not yet ended by December 31, 2021, the request to add the new child or spouse will be deemed timely if it is filed with the Administrative Office by January 30, 2022 (30 days after the end of the one year period following marriage, birth, or adoption). In this example, if a timely request is made by January 30, 2022, the new dependent will be eligible from the date of marriage, birth, or adoption (January 1, 2021). However, if the National Emergency ends on June 1, 2021, the Outbreak Period will end on July 31, 2021 (the 60th day following the end of the National Emergency), and the request to add the new child or spouse will be deemed timely if it is filed with the Administrative Office by August 30, 2021 (30 days after the end of the Outbreak Period).

II. Benefit claims and appeals

The one-year deadline to submit claims has been suspended during the Suspension Period, and will restart the earlier of one year following the date the claim was incurred or 60 days following the announced end of the National Emergency.

Example 1: If a claim was incurred on March 1, 2020, the deadline to file the claim will be March 1, 2022 (the one year after March 1, 2021).

Example 2: If a claim was incurred on January 1, 2021 and the National Emergency has not yet ended by December 31, 2021, the deadline to file the claim will be December 31, 2022 (one year after December 31, 2021). However, if the end of the National Emergency were declared over on June 1, 2021, the Outbreak Period will end on July 31, 2021. In that case, the deadline to file the claim will be July 31, 2022 (one year after July 31, 2021).

Likewise, the 180-day deadline to file an appeal from a denied claim has been suspended during the Suspension Period and will restart on the earlier of one year following the date you receive notice of a claim denial or 60 days following the announced end of the National Emergency.

Example 3: If the notice of denial is received on March 1, 2020, the deadline to file an appeal is 180 days after the end of the Suspension Period. Since the Suspension Period will end on

February 28, 2021, the deadline to file an appeal will be August 27, 2021 (the 180th day after February 28, 2021).

Example 4: If the denial was received on February 1, 2020, then 29 days in February is subtracted from the 180-day timeframe to file an appeal. However, the Suspension Period does not diminish the remaining 151 days to file an appeal. The remaining 151 days won't start to run after February 28, 2021. Thus, the deadline to file an appeal will be July 29, 2021 (151 days after February 28, 2021).

Example 5: If the notice of denial is received on January 1, 2021, the deadline to file an appeal is 180 days after the end of the earlier of the end of the Outbreak Period or 1 year from the notice of denial. If the National Emergency is not yet ended by December 31, 2021, a filed appeal will be deemed timely if it is filed with the Administrative Office by June 29, 2022 (180 days after the end of the one year period following the notice of denial). However, if the National Emergency ends on June 1, 2021, the Outbreak Period will end on July 31, 2021, a filed appeal will be deemed timely if it is filed with the Administrative Office by January 27, 2022 (180 days after the end of the Outbreak Period).

III. COBRA notice, election and payment deadlines

The deadlines for electing COBRA coverage, paying COBRA premiums, and for notifying the health plan of a Qualifying Event that is a divorce, separation, loss of dependent status or a disability have been suspended during the Suspension Period and will restart on the earlier of one year following the date you receive notice of a claim denial or 60 days following the announced end of the National Emergency.

Example 1: If an employee has a COBRA qualifying event (a reduction of hours or a termination) and wishes to elect COBRA coverage, the normal 60-day election period is not diminished by the Suspension Period. For example, if coverage is lost on March 1, 2020 due to a qualifying event and the COBRA election notice is sent on March 1, 2020, the deadline to elect COBRA will be April 29, 2021 (the 60th day after February 28, 2021).

The deadline to pay the initial COBRA premium will occur 45 days after COBRA is elected. If the employee elects COBRA on April 29, 2021, the initial COBRA premium is due on June 13, 2021 (45 days after April 29, 2021).

Until the employee elects and pays for coverage the administrative office will inform health care providers that the employee does not currently have coverage but will have coverage retroactively if he elects COBRA coverage and makes timely payment of COBRA premiums covering the months from the COBRA qualifying event. Thus, in the example above, if the employee elects COBRA by April 29, 2021 she will be eligible as of March 1, 2020 as long as she pays COBRA premiums for the months of March 2020 through June 2021 by June 13, 2021. If the employee only pays COBRA premiums for two months, then the Plan would not be obligated to pay for services rendered after April 2020.

Example 2: If coverage is lost on January 1, 2021 due to a qualifying event and the COBRA election notice is sent on January 1, 2021, the deadline to elect COBRA will be 60 days after the end of the earlier of the end of the Outbreak Period or December 31, 2021. If the National Emergency is not yet ended by December 31, 2021, a COBRA election will be deemed timely if it is filed with the Administrative Office by March 2, 2022 (60 days after the end of the one year period following the notice of qualifying event). However, if the National Emergency ends on June 1, 2021, the Outbreak Period will end on July 31, 2021, a COBRA election will be deemed timely if it is filed with the Administrative Office by September 29, 2021 (60 days after the end of the Outbreak Period).

The deadline to pay the initial COBRA premium will occur 45 days after COBRA is elected. If the employee elects COBRA on March 2, 2022, the initial COBRA premium is due on April 16, 2022 (45 days after March 2, 2022). If the employee elects COBRA on September 29, 2021, the initial COBRA premium is due on November 13, 2021 (45 days after September 29, 2021).

Until the employee elects and pays for coverage the administrative office will inform health care providers that the employee does not currently have coverage but will have coverage retroactively if he elects COBRA coverage and makes timely payment of COBRA premiums covering the months from the COBRA qualifying event. Thus, in the examples above, in the event the Outbreak Period has not ended by December 31, 2021, if the employee elects COBRA by March 2, 2022 she will be eligible as of January 1, 2021 as long as she pays COBRA premiums for the months of January 2021 through April 2022 by April 16, 2022. If the employee only pays COBRA premiums for two months, then the Plan would not be obligated to pay for services rendered after February 2021. In the event the Outbreak Period ends on July 31, 2021, if the employee elects COBRA by September 29, 2021 she will be eligible as of January 1, 2021 as long as she pays COBRA premiums for the months of January 2021 through November 2021 by November 13, 2021. If the employee only pays COBRA premiums for two months, then the Plan would not be obligated to pay for services rendered after February 2021.

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Should you have any questions regarding the above changes or need assistance in determining a due date, please contact the Trust Fund Office at (800) 386-4350 or (562) 463-5065.