

MBA HEALTH INSURANCE TRUST

Administrative Manual

Key Contacts

For answers to questions about benefits issues — and for help with claims questions — contact the customer service department of the applicable insurance company. Telephone numbers are shown in the table below.

Benefit Plan	Insurance Company	Telephone Number / Website Address
Medical Plans Available	Regence BlueShield Group Health Cooperative/ Options Health Care	(888) 370-6156 (toll-free) www.wa.regence.com www.myRegence.com or www.bluecares.com (nationwide provider directory) (800) 542-9172 (toll-free) www.ghc.org
Basic Life/AD&D Insurance	LifeMap Assurance Company	(800) 794-5390 (toll-free) www.lifemapco.com
Vision	Regence BlueShield LifeMap Assurance Company	(888) 370-6156 (toll-free) (800) 794-5390 (toll-free)
Dental	Regence BlueShield LifeMap Assurance Company	(888) 370-6156 (toll-free) (800) 756-4105 (toll-free)
Employee Assistance Program (EAP)	Magellan Behavioral Health	(800) 523-5668 (toll-free) www.magellanhealth.com

Contacting EPK & Associates

You may also contact EPK & Associates anytime you have questions about your responsibilities or if you need help in working with the insurance companies. You may contact us as follows:

- by telephone at **(425) 641-7762 or (800) 545-7011 ext. 5 (toll-free)**. Our staff is available to talk with you during office hours from 7:00 am to 5:00 pm, Monday through Friday. If you call outside of office hours, please leave a message and we will call you the next business day
- by fax at **(425) 641-8114**
- by email at **admin@epkbenefits.com**
- by website at **www.epkbenefits.com**
- by mail at:

EPK & Associates, Inc.
 15375 SE 30th Place, Suite 380
 Bellevue, WA 98007

Introduction

You have an important job as your company's representative for the MBA Health Insurance Trust. You are the link between the employees in your company, the insurance companies that provide the benefit plans, and the Trust that sponsors the coverages.

EPK & Associates, the Trust contract administrator, has prepared this Administrative Manual to assist you. It's intended to:

- clarify your role as administrator of your company's health insurance plans
- provide detailed information about your responsibilities when specific events occur — including what you need to do when an employee first becomes eligible for coverage, how to make coverage changes, and what steps you need to take when an employee leaves the company
- help you understand the benefits offered through the Trust and how they work

This Administrative Manual is for use by your company's administrator — it is not intended for distribution to employees. It will be updated periodically as plans and administrative procedures change over time. Please insert all revised pages into the appropriate sections of your binder and destroy obsolete sections.

This manual is provided as a tool to help company administrators in the administration of their MBA Health Insurance Trust plans. It is not intended as a description of plan benefits, nor is it intended for distribution to employees.

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Roles & Responsibilities

The MBA Health Insurance Trust is a non-profit, member owned and operated health insurance purchasing program. It's sponsored by the **Master Builders Association of King and Snohomish Counties** and directed by a Board of Trustees selected by the Master Builders Association.

The purpose of the Trust is to allow participating employers to join together to purchase health care coverage for their employees. By purchasing this coverage as a large group, building industry employers receive the advantages of:

- significantly lower health care insurance rates through increased purchasing power
- expanded health care plan options
- enhanced customer service — both for you and your employees

To ensure that the Trust can continue to offer these advantages, it's important that you, EPK & Associates and the insurance companies understand and fulfill the responsibilities outlined in this section.

Your Role

As administrator of your company's MBA Health plans, your key responsibility is to provide the following:

- **recordkeeping** — maintaining all records for employees in your company
- **communicating** — acting as a contact person for employee health care questions and concerns and working with the insurance companies — and EPK & Associates — to answer questions regarding benefits
- **processing** — initiating enrollment, changes and cancellations by providing the appropriate forms to EPK & Associates

EPK & Associates' Role

EPK & Associates, Inc. is the contract administrator hired by the MBA Health Insurance Trust Board of Trustees. As contract administrator, EPK & Associates acts as the Trust's agent in working with the health care insurance companies offering coverage through the Trust. Specific responsibilities include:

- preparing monthly billing statements for participating companies
- updating the billing system to reflect enrollment changes
- paying monthly premium costs to the applicable insurance companies on behalf of enrolled employees and their dependents
- assisting member companies with the day-to-day administration of their MBA Health Insurance programs
- administering the MBA Health Insurance Trust program according to the insurance carriers contracts

To fulfill our responsibilities to the Trust and participating companies, EPK & Associates depends on complete, correct and timely information from you.

Insurance Companies' Role

The insurance companies that currently offer health care plans through the Trust are listed under **Key Contacts** on the first page of this manual. Services provided by participating insurance companies generally include:

- interpreting plan provisions
- paying claims for covered services and supplies
- updating and distributing health care plan information within legally required time frames — including Summary Plan Descriptions (SPDs), Summary of Benefits and Coverage (SBCs), Glossary of Health Coverage and Medical Terms, and Summaries of Material Modification (SMMs)
- serving as a resource to you and other company representatives when you or the employees you represent have questions regarding benefits

Employer Participation Agreement

Your ***Employer Participation Agreement*** is the legal contract under which you, EPK & Associates and the participating insurance companies administer the Trust insurance program for your company. In addition to information about your company, this agreement shows:

- the specific Medical, Dental, Vision and Life/AD&D insurance coverages that your company has chosen
- your company's definition of a full-time employee
- the probationary period selected by your company
- rehire policy
- part-time to full-time policy
- whether, at the time the agreement is signed, your company is subject to COBRA continuation of health care coverage requirements. See the **When Coverage Ends** and **COBRA Continuation** sections of this manual for details about COBRA administration

Since your *Employer Participation Agreement* is a binding contract, it's critical that your in-house benefit administration conforms to the provisions of the agreement and be uniformly applied to all employees. Changes to the *Employer Participation Agreement* — except for deletion of dental and vision coverage — may be made only during the annual open enrollment period.

You should insert a copy of your company's current, completed *Employer Participation Agreement* for easy reference.

Eligibility

To be eligible for the MBA Health Insurance Trust, your company must meet all of the following criteria:

- be a current, active member of the Master Builders Association of King and Snohomish Counties. Membership in the MBA must be maintained each year to continue participation in the Trust
- be in the building or construction related industry as its principal line of business
- be an active, income-generating business

Eligible Plan Participants

If your company is eligible for and chooses to participate in the Trust benefit plans, all **active full-time** employees that meet the following requirements are eligible for coverage:

- work the number of hours per week — between 20 and 40 hours — specified in your *Employer Participation Agreement*
- have completed the probationary period that was in effect for your company on the employee's date of hire
- are paid on a regular basis through your payroll system and appear on your company's quarterly report of wages filed with the State Employment Security Department. In Washington, this is form 5208-B

The following dependents of eligible employees are also eligible to participate in the medical, dental and vision plans, as applicable to your company:

- legal spouse
- children — including natural, adopted and step children — under age 26
- domestic partners — the company must have adopted its own internal policy defining Domestic Partnership. A copy of the policy must be filed with EPK & Associates.
- state registered domestic partners — no internal Domestic Partner policy is required. All applications must include copy of State Domestic Partnership Registration.

Probationary Period

The probationary period before coverage can begin is the zero to six-month period specified on your *Employer Participation Agreement*. For employees who are hired or change to full-time status:

- on the 1st of a calendar month, that month will count toward the probationary period
- on the 2nd to 5th of a calendar month, that month can count toward the probationary period, as long as this is the company's uniform policy and is indicated on the employee's application
- after the 5th of a calendar month, the probationary period will begin on the first of the following month

If your company has a part-time to full-time policy on file with EPK, part-time capacity may also be counted toward the employee's probationary period following a change to eligible full-time status, as long as this policy is applied uniformly to all employees.

Who Is Not Eligible

Individuals are not eligible to participate in the Trust plans offered through your company if they are:

- former active employees

- employees who have not completed your company's probationary period
- independent or sub-contractors
- retirees
- part-time employees (that is, who don't meet the hours worked per week requirement stated in your *Employer Participation Agreement*)
- inactive owners

The insurance companies may conduct periodic eligibility verification audits to ensure that your company is complying with eligibility requirements. The insurance companies are entitled to recover damages from you, your company, employees, any person to whom benefits were paid, or anyone else responsible for misleading the insurance company about an individual's eligibility for participation in the Trust plans.

Rehired Employees

Upon rehire, employees who previously participated in the Trust plans have the same eligibility requirements as newly hired active full-time employees. The probationary period for a rehired employee may, however, be waived if your company has an approved Rehire policy.

Check your current Employer Participation Agreement to see if your company has an approved *Trust Rehire Policy*. If it does, review the maximum period of absence your company has selected for waiver of the probationary period.

Eligibility During Leave of Absence

A participating employee who goes on an employer approved leave of absence with the intent to return to work can remain eligible for coverage for up to 90 calendar days of leave — as long as this policy is applied uniformly to all employees. The 90-day period starts on the first day of the month following the employee's last day of work.

If your company is subject to COBRA requirements, the leave is considered a COBRA qualifying event and COBRA regulations apply to the continuation of coverage. If your company is not subject to COBRA, an employee is entitled to a 30-day extension of coverage after it would otherwise end.

Employee's who are on a leave of absence for longer than 90 days — with the exception of leaves resulting from FMLA or injuries covered under Labor & Industries — will need to meet the same eligibility requirements that apply to new or, if applicable, rehired employees.

You must return a completed *Change Transmittal* form to EPK & Associates to cancel coverage for an employee who does not return to work from a leave of absence at the end of the 90-day period in which coverage was extended.

For more information about COBRA eligibility, see the **COBRA Continuation** section of this manual. You may also contact EPK & Associates for details about COBRA eligibility or, if your company is not subject to COBRA, for information about the 30-day extension of coverage.

Enrollment

The MBA Trust is a group insurance program designed to provide coverage for participating companies with 2 or more full-time, eligible employees, including active owners.

Group plans require a specific percentage of all Eligible Employees/Subscribers to be covered on the plan. As a result, the requirements outlined below are strictly enforced.

- Companies with 2–5 eligible full-time employees: 100% participation is required (excluding approved waivers)
- Companies with 6 or more eligible full-time employees: 80% participation (excluding approved waivers)

Approved Waivers: Employees covered by Medicare, tribal, military, or a spouse's coverage may elect to waive coverage and will not count against your company's participation requirement percentage.

Employees (or active owners) waiving coverage must sign a *Waiver of Insurance Form*. This form must be submitted to EPK & Associates, the Trust Administrator, to be kept on file as this form includes information on Federal HIPAA regulations and special enrollment rights.

To be covered when initially eligible, EPK & Associates must receive a completed *Employee/Subscriber Application* form within 15 days of the employee's eligibility date.

For companies that have waivers available, employees who are eligible and choose to waive coverage under the Trust plans must complete the *Employee Waiver of Insurance* form within 30 days of their initial eligibility.

Ensure that completed *Employee/Subscriber Application* forms are received by EPK & Associates **no later than the 15th of the calendar month following the date the employee's probationary period ends**. Employee's whose enrollment applications are received after this date may not be eligible to enroll for coverage until the next open enrollment period.

If you have employees who are waiving coverage, you must return completed *Employee Waiver of Insurance* forms to EPK & Associates **within 30 days following the completion of the employees' probationary periods**. Employees who do not have a form on file with EPK & Associates within this time frame may not be eligible to enroll for coverage until the next open enrollment period — even if they lose eligibility for other coverage during the year.

Sample *Employee/Subscriber Application* and *Employee Waiver of Insurance* forms are included in the **Sample Forms** section of this manual.

Enrollment Changes During the Year

Enrollment changes may generally be made only during the annual open enrollment period. Under the following circumstances, however, you may make changes to employee coverage between open enrollment periods:

- If you acquire a dependent either through adoption, placement for adoption, birth of a child, or marriage or state registered domestic partnership, you and your dependents may apply for coverage prior to the next open enrollment date. The MBA Health Trust Administrator must receive your application within 30 days of marriage or state registered domestic partnership, or within 60 days of birth, placement for adoption, or date of assumption of total or partial legal obligation for support of a child in anticipation of adoption. Coverage for you and your dependents will begin retroactive to either the date of birth of a natural newborn, the date of placement of an adoptive child, the date of assumption of total or partial legal obligation for support of a child

in anticipation of adoption, in the case of marriage or state registered domestic partnership, on the first day of the month following the date of marriage or state registered domestic partnership, provided the application is received by the MBA Health Trust Administrator within the parameters stated above.

- an employee may add coverage for him or herself and other eligible dependents if coverage under the Trust plans was waived due to other coverage that has been involuntarily lost. To qualify, the employee must:
 - have a *Employee Waiver of Insurance* form on file with EPK & Associates indicating that coverage was waived because of other coverage
 - request enrollment within 30 days of the date other coverage was lost
 - have lost the health insurance or other group health plan coverage because:
 - the health insurance was provided under COBRA, and the COBRA period was exhausted
 - the coverage was non-COBRA coverage and the coverage terminated due to loss of eligibility for coverage (including loss resulting from legal separation, divorce, death, termination of employment, or reduction in hours)
 - the coverage was non-COBRA coverage and employer contributions for the coverage were terminated. Under this provision, an employer's reduction (but not cessation) of contributions would not trigger a special enrollment right
- an employee may cancel coverage for dependents at the end of any month
- coverage cancels at the end of the month in which the participant and/or dependents are no longer eligible. See the **When Coverage Ends** section for more information
- changes in the employee's beneficiary for life insurance benefits may be made at any time. Similarly, changes or corrections to employee information — such as name, address, birth date or Social Security number — may be made at any time

To add coverage for an employee or eligible dependents, you must return a completed *Employee/Subscriber Application* form to EPK & Associates by the 15th day of the month in which coverage is to begin (except as described above). This form may also be used to change a beneficiary for Life insurance.

To cancel coverage for an employee and/or the employee's dependents, return a *Change Transmittal* form to EPK & Associates by the 15th of the month following the month in which coverage ended. This form may also be used to update/correct employee information.

EPK & Associates will confirm enrollment changes in writing. Report any discrepancies to EPK & Associates within seven days of receiving the confirmation.

If you don't receive a confirmation, call EPK & Associates immediately at **(425) 641-7762 or (800) 545-7011 ext. 5 (toll-free)**.

When Coverage Starts

Coverage under the Trust plans begins on the contractual effective date — that is, the first of the month following completion of the employee’s probationary period— provided the following requirements are met:

- the employee enrolls within 15 days of the eligibility date*
- the employee is employed on the date coverage is scheduled to start

Notify EPK & Associates within 15 days of the contractual effective date if an employee is not employed on that date.

If your Company is COBRA eligible, you must provide each employee and, if applicable, his or her enrolled spouse with a notice of his or her rights and obligations under COBRA when they first become covered under the MBA Health Insurance Trust. Keep in mind, this requirement also applies to spouses who are added to coverage at a later date. Notices must be mailed to the employee and spouse via first class mail.

A sample notice *Summary of Rights and Obligations Regarding Continuation of Group Health Plan Coverage* is included in the **COBRA** section of this manual.

*Refer to the Enrollment section of this manual for information on special enrollment provisions.

Monthly Payments

EPK & Associates sends detailed monthly billing statements for the coming month's premium to your company before the end of the month.

Checks for payments should be made out to the **MBA/MBA Trust** and returned to EPK & Associates.

Payments are due on the first day of the billed month.

If full payment is not received:

- by the 1st of the billed month, your account will be in delinquent status. This can result in a variety of coverage and claim payment problems that may affect your employees, their health care providers and the insurance carriers
- within 30 days of the payment due date, coverage will be canceled retroactively to the last day of the month for which full monthly payment was received. In this case, any partial monthly payments will be refunded and your company will not be eligible to reapply for participation in the Trust for at least 24 months

For example:

For coverage during the month of January:

- EPK mails billing statements to you on or about December 20-22
- Your payment is due to EPK & Associates by January 1
- Payment is in delinquent status if not received by January 1
- Participation in the Trust is canceled, retroactively to December 31, if payment is not received by January 31

Payments returned to EPK & Associates (for non-sufficient funds, stop payment, etc.) must be replaced with guaranteed funds (i.e., Cashier's check, money order, cash) before the expiration of the 30-day grace period. A \$20 fee will be assessed on all returned drafts.

When Coverage Ends

Coverage under the Trust plans ends for an employee on the first day of the month following his or her last day of work, or loss of eligibility due to:

- change in status from full-time to part-time employment
- failure to pay required premiums
- termination of eligibility for the plans, for example, because your company is no longer eligible for the Trust
- termination of the plans

Coverage for enrolled dependents ends when the employee's coverage ends, or on the first day of the month following any of the following events:

- for a spouse, following divorce
- for children, when they no longer meet the definition of an eligible child. Health insurance coverage will also end for children if, as provided under applicable federal and state law, they are no longer covered under a court decree or administrative order requiring the employee to provide health care coverage
- termination of Domestic Partnership

If your company is subject to COBRA continuation requirements, employees and/or their dependents may be eligible to extend health care coverage for a period of time by paying the cost of coverage. See the next section, **COBRA Continuation** for more information.

Return a completed *Change Transmittal* form to EPK & Associates within 15 days of the date an employee or enrolled dependent lose eligibility under the Trust plans. Keep in mind, provisions of the Trust do not allow retroactive cancellation of coverage.

If your company is subject to COBRA, you must provide an employee or dependent the following within 44 days of the date coverage is lost under the Trust plans:

- a *Notice of Right to Continue Group Health Insurance Coverage*
- a *Continuation Coverage Election* form

Samples of the *Notice to Continue Health Care Insurance Coverage* and the *Continuation Coverage Election* form are included in the **COBRA** section of this manual. For more information, see the **COBRA Continuation** section of this manual.

If your company is not subject to COBRA — or when COBRA coverage ends — employees and their dependents may be eligible to convert their Trust coverage to a group conversion plan. For more information, see *When You Are No Longer Eligible for Coverage* in the benefits booklet.