

## SUMMARY OF ADMINISTRATIVE PROCEDURES FOR HEALTH PLAN ADMINISTRATORS

### 1. ELIGIBILITY AND ENROLLMENT

- A. Employees are eligible for coverage on the first day of the month following at least 20 hours per week of employment for four consecutive weeks, and earning at least 86.67 times the current minimum hourly wage per month. The enrollment application must be received no later than the **10<sup>th</sup>** day of the month in which the individual becomes eligible for coverage.

Employees who are not enrolled when they first become eligible may not apply for coverage until Open Enrollment, which is the anniversary of the group's HMAA coverage, unless a Qualifying Event occurs. A qualifying event is a circumstance that allows eligible employees and/or their dependents to be enrolled outside of open enrollment. **Members must enroll within 30 days of the qualifying event.**

Qualifying events include the following:

- Employee has just increased hours worked to 20 per week, for four consecutive weeks
  - Involuntary loss of coverage from another health plan – HIPAA (Health Insurance Portability & Accountability Act) certificate from the prior carrier is required
  - Employee is entitled to additional benefits or coverage due to a change in employment status
  - Employee has met employers Eligibility requirements.
- B. Please have the subscriber complete the Enrollment Application and provide the necessary accompanying document(s). Mail or fax to:

**HMAA**  
**Attn: Underwriting Department**  
**737 Bishop Street, Suite 1200**  
**Honolulu, Hawaii 96813**

**Fax: (808) 535-8363**

Please have the employee fill out forms **completely** and **legibly** to avoid delays in processing. If you fax forms and documents to us, you do not need to mail the originals; however, please keep the fax confirmation for your records.

- C. Subscribers who are on medical disability leave (e.g., Temporary Disability Insurance or Workers' Compensation) may continue group coverage for three months following the month in which they became hospitalized or disabled from working, or the period in which the employer continues to pay the employee's regular wages, whichever is longer. Regular premium payments must be made during this period. It is your responsibility to notify HMAA if an employee does not return to work within this period.

Employees on disability leave for longer than this period may reapply for coverage when they return to work and may requalify after completing at least 20 hours per week of employment for four consecutive weeks, and earning at least 86.67 times the current minimum hourly wage per month.

## 2. ENROLLING DEPENDENTS

- A. Please have the employee complete an Enrollment Application listing each dependent being enrolled. Eligible dependents may include the employee's spouse and/or children up to age 26. Spouses and children of those adult dependent children are not eligible, nor are adult dependent children who are eligible for health coverage through their own employer. **Please refer to your Company's policy on dependent enrollment.**
- B. The Enrollment Application must be signed and dated by the employee **and** spouse, if applicable, verifying that the information is correct, within 60 days of the coverage effective date. Dependents must be enrolled within 30 days of a qualifying event.
- C. Qualifying events include, but are not limited to, the following:
  - Newborn child – If the dependent is a newborn, an application **must** be submitted within 30 days from the date of birth, even if the subscriber already has family coverage. Proof of birth is required and must accompany the application. The newborn's Social Security number is not required for enrollment purposes.
  - Marriage – must be enrolled within 30 days of marriage, and proof of marriage must accompany the application.
  - Adoption – proof of adoption must accompany the application.
  - Loss of other health coverage – proof of such loss must accompany the application.

## 3. COBRA

- A. The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue benefits provided by their health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in hours worked, transition between jobs, death, divorce, and other life events. Qualified individuals may be required to pay the entire premium for coverage, up to 102% of the cost.
- B. COBRA coverage is available for employers that have at least 20 employees for at least 6 months in the previous calendar year. Both full- and part-time employees are counted to determine whether a plan is subject to COBRA. Each part-time employee counts as a fraction of a full-time employee, with the fraction equal to the number of hours that the part-time employee worked divided by the hours an employee must work to be considered full-time.
- C. COBRA administration is an employer's responsibility; however, HMAA will assist you with administration and will provide you with information upon request. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

## 4. TERMINATIONS

- A. All terminations must be submitted in writing on or before the **last** day of the month in which eligibility ends. If your company is COBRA eligible, please use the *COBRA Qualifying Event Form*. If your company is not COBRA eligible, please use the *Member Change or Termination Form*. **HMAA cannot accept retroactive terminations.** Written notice must be accompanied by an authorized signature.

Pursuant to the Patient Protection and Affordable Care Act (PPACA), a group health plan cannot rescind coverage with respect to an individual once the individual is covered under a plan or policy unless the individual performs an act, practice, or omission that constitutes fraud or intentional misrepresentation of material fact, as prohibited by the terms of the plan or coverage, or due to non-payment of premium. For more information, please consult with your legal counsel or visit the Federal website at [www.healthcare.gov](http://www.healthcare.gov).

B. Termination criteria for members include:

- Employee – Upon retirement, reduction of hours, termination of employment, severance from employer, or termination of the group.
- Employee's Spouse – Upon Employee's termination of coverage or dissolution of marriage.
- Employee's Children – Upon Employee's termination of coverage, upon reaching age 26, or upon becoming eligible for health coverage through the dependent's own employer.

## 5. PREMIUM PAYMENT

- A. Your full premium payment must be received no later than the 1<sup>st</sup> day of the month in which coverage is expected. If we do not receive your full premium payment, you will receive a notice of our intent to cancel your policy. Because this is a prepaid plan, claims incurred during months with unpaid premiums will be denied. Notification of termination will also be sent to the State of Hawaii. Any requests for further coverage will be treated as a new policy application.
- B. **Do not adjust your statement balance.** HMAA will make all billing adjustments, which will appear on the following month's statement.
- C. A fee of \$50.00 will be charged to your account for any check returned for insufficient funds.
- D. Please make checks payable to **HMAA**. Mail payment, along with the payment stub from your bill, to:

**HMAA**  
**P.O. Box 29790**  
**Honolulu, Hawaii 96820-2190**

Forms may be obtained from our Website at [hmaa.com](http://hmaa.com). If you have any questions or need assistance, please feel free to call our Customer Service Center:

Telephone: (808) 941-4622  
Toll-Free: (888) 941-4622  
E-mail: [CustomerService@hmaa.com](mailto:CustomerService@hmaa.com)

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For further information regarding administrative procedures,  
please refer to your Group Service Agreement.

**Thank you for being a member of HMAA!**

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