

## Summary of Administrative Procedures for Health Plan Administrators

### A. ELIGIBILITY AND ENROLLMENT

1. 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.

Employees who are not enrolled when they first become eligible may not apply for coverage until Open Enrollment, which is the anniversary of your 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 may 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
  - Employee is entitled to additional benefits or coverage due to a change in employment status
  - Employee has just met the employer's eligibility requirements
2. The enrollment application must be received by HMAA no later than the 10<sup>th</sup> day of the month in which coverage is expected. Please have the subscriber complete the Enrollment Application and provide any necessary accompanying documents. 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.

3. Subscribers who are on medical disability leave (e.g., Temporary Disability 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 for which the employer continues to pay the employee's regular wages, whichever is longer. Regular premium payments must continue to be made. 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 working at least 20 hours per week for four consecutive weeks and earning at least 86.67 times the current minimum hourly wage per month.

## B. ENROLLING DEPENDENTS

1. Please have the employee complete an Enrollment Application that lists 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. Please refer to your Company's policy on dependent enrollment.
2. When an employee enrolls his/her dependent(s), ensure the dependent's Social Security number (SSN) is included in the "Dependent Enrollment Information" section of the application. SSNs are required for all persons enrolling. For newborns, HMAA will allow up to one year for submission of the SSN.
3. The Enrollment Application must be signed and dated by the employee, verifying that the information is correct, within **60 days** of the coverage effective date. If the employee's spouse or civil union partner is also enrolling, he/she must also sign the application. Applications for the enrollment of eligible dependents must be received no later than the 10<sup>th</sup> day of the month in which the individual becomes eligible for coverage, unless a qualifying event has occurred.
4. For all qualifying events, applications must be submitted within 30 days of the event, even if the subscriber already has family coverage. Qualifying events include, but are not limited to:
  - Newborn child
  - Newly adopted dependent
  - Marriage or civil union
  - Involuntary loss of other health coverage
5. Proof of eligibility (e.g., birth certificate, state-issued marriage or civil union certificate, court order, adoption records, involuntary loss of coverage from another health plan) must accompany the application.

## C. COBRA

1. 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 cost of coverage, up to 102% of the regular premium.
2. COBRA coverage is available for employers that have at least 20 employees during at least 6 months in the previous calendar year. Full-time 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 the part-time employee worked divided by the hours an employee must work to be considered full-time.
3. COBRA administration is an employer's responsibility; however, HMAA will assist you with administration and provide you with information upon request. For more information about your rights and responsibilities 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.

## D. TERMINATIONS

1. All terminations must be submitted in writing on or before the **last** day of the month in which eligibility ends. Please use the *Member Change or Termination Form* for all terminations. **HMAA cannot accept retroactive terminations** beyond our established administrative procedures. Written notice must be accompanied by an authorized signature.

Pursuant to the Affordable Care Act (ACA), 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).

2. 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 or Civil Union Partner** – Upon Employee's termination of coverage or dissolution of marriage/civil union
  - **Employee's Children** – Upon Employee's termination of coverage or upon reaching age 26

## E. PREMIUM PAYMENTS

1. Your full premium payment must be received no later than the first day of the month for which coverage is expected. If we do not receive payment in full, your company will receive a notice of intent to cancel your policy. Scheduling or acceptance of a late payment does not guarantee coverage. Because your health plan is a prepaid plan, any claims incurred during months with unpaid premiums will be denied. Plan termination notices are also sent to the State of Hawaii Department of Labor.
2. Within two months of termination, HMAA may at its discretion reinstate a group policy upon request of the Plan Sponsor, subject to all of the following.
  - Payment of all outstanding premiums and dues calculated from the first date amounts were due through the date of reinstatement
  - If applicable, payment of any insufficient funds penalties that may be due
  - Payment of a reinstatement fee in the amount of \$100.00
3. Any requests for further coverage will be treated as a new policy application.
4. **Do not adjust your statement balance.** HMAA will make all billing adjustments, which will appear on the following month's statement.
5. A fee of \$50.00 will be charged to your account for any payment returned for insufficient funds.
6. Make checks payable to **HMAA**. Mail your payment, along with the stub from your premium bill, to:

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

You can also make payments through our online bill pay service. To sign up, visit [hmaa.com/billpaysignup](http://hmaa.com/billpaysignup) or contact your HMAA Account Manager.

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 contact your Account Manager:

Phone (808) 791-7654 / Toll-Free (800) 621-6998 ext.301  
E-mail [AccountManager@hmaa.com](mailto:AccountManager@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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