

15.0 TERMINATION OF COVERAGE

Subscriber/Member Terminations

It is the responsibility of the Group Administrator to notify Health Advantage of Subscriber and Member terminations and date of termination as soon as possible. Termination requests received by the 10th of the month should be on the following month's premium bill.

Terminations may be requested by using the Change Form (Forms Section) and faxing to 501-301-6869. The effective date of termination must be completed.

If a termed Subscriber/Member is still on the monthly bill, the termination may be submitted with the monthly group bill by including the Member name, contract number and termination date on the Monthly Billing Adjustment Form.

Retroactive Terminations. Health Advantage will make the final decision on all retroactive termination requests. Premium should be submitted and accompanied with a request for termination and explanation or reason it is retroactive for consideration by Health Advantage. Retroactive termination requests may not exceed 60 days from the last day of the month preceding the month of the request.

Qualifying Events for Loss of Eligibility

- Spouse – divorce (or legal separation), or becomes eligible for group plan through own employer
- Dependent Child/Dependent Student:
 - Becomes covered by other parent
 - Joins military
 - Reduces hours or quits school (may be eligible for continuation of coverage)
 - Eligible for coverage through own employer
 - Marries
- Subscriber/spouse - becomes eligible for Medicare
- Death (Subscriber or Member); include date of death (Employee only contract is termed on date of death, Employee/spouse or Employee family contracts are termed at the end of the month). For the death of Subscriber, dependents are eligible for continuation of coverage.

NOTE: Terminations are at the end of the month except when specified otherwise. When a Subscriber or Member is terminated, a Certificate of Creditable Coverage (sample included in Forms Section) is printed and sent to the Subscriber. A Certificate of Creditable Coverage may be requested at any time at *HealthAdvantage-hmo-com* or by calling Customer Service.

Termination of Group Coverage

The Group Contract may be terminated by the Employer on any paid to date. The request to terminate group coverage must be submitted to the Marketing Representative. All Members of a group terminate on the same date the group is terminated. The Group Contract may also be terminated by Health Advantage if the terms of the contract are not upheld by the group, or the group no longer meets minimum participation requirements. It is the Group's responsibility to notify all Members when the group contract is terminated. The Member is responsible for all medical and pharmacy claims paid after the paid to date.

16.0 CONTINUATION PRIVILEGES, COBRA AND CONVERSION

Continuation of Coverage (120-day continuation)

1. Coverage may be continued for 120 days, or through the date the Member or the Group pays the premium, or Member becomes eligible under a similar group health plan or Medicare, whichever is sooner. Employees of groups that are not subject to COBRA may elect this 120-day continuation of coverage.
2. A Member whose employment terminates or dependency status changes has the right to elect continuation of coverage under Arkansas Law. To be eligible, the Member must have been continuously covered under the Plan for at least 3 consecutive months prior to employment termination or change in dependency status, not be eligible for any other group health plan, and make the election by notifying the Group and Health Advantage in writing within 10 days of loss of eligibility.
3. A Member may elect a Conversion Plan instead of continuation of coverage, or have the option of a Conversion Plan at the end of the 120-day continuation period.

COBRA Continuation

1. Section 1001 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) applies to Groups with 20 or more employees on 50 percent of its typical business days during the preceding calendar year. Subscribers and Dependents whose coverage ends due to a Qualifying Event may elect COBRA coverage.
2. Qualifying Events include termination of a Subscriber's employment (other than by reason of the Subscriber's gross misconduct), reduction of hours of employment, divorce or legal separation from spouse, Subscriber becomes eligible for Medicare, or a dependent child loses eligibility as a dependent.
3. The Group Administrator must notify Subscriber and any dependents notice of COBRA rights by first class mail within 14 days of Qualifying Event. The Member must elect COBRA within 60 days of the date of Qualifying Event or date of notification, whichever is later.
4. Once in effect, COBRA coverage may continue as long as the group contract remains in force and Member pays required premium, ending at the end of the maximum period of:
 - Subscriber's death - 36 months for dependents
 - Termination of a Subscriber's employment (other than for gross misconduct) or reduction in hours of employment - 18 months for employee and dependents; or 29 months if Subscriber is disabled at time of or within 60 days of termination of employment or reduction in hours
 - Subscriber becomes eligible for Medicare – maximum of 18 months for dependents
 - Subscriber divorces or becomes legally separated from spouse - 36 months for spouse
 - Dependent child loses eligibility - 36 months
 - Member becomes eligible under any other group health plan -date of coverage
 - Subscriber/Member becomes entitled to Medicare - date entitled to Medicare

COBRA Administration.

Groups that are subject to COBRA may use Ceridian Benefits Services, Inc. a national COBRA Compliance Administrator contracted by Health Advantage, another third party COBRA Compliance Administrator, or administer COBRA through the group. Most groups contract with Ceridian Benefits Services, Inc. Services provided by Ceridian:

- Billing of COBRA premium;
- Adjudication of eligibility;
- Premium collection;
- Processing of ongoing COBRA transactions on behalf of the group;
- Retention of documentation; and
- Supplying forms for use in administering COBRA.

For more information on Ceridian Benefits Services, Inc., go to ceridian-benefits.com.

Groups that Use Ceridian Benefits Services, Inc.

1. The Group notifies Health Advantage to terminate coverage.
2. Employer sends the top 3 copies for the COBRA Notification form and Rate Sheet to employee within 14 days of Qualifying Event.
3. The Ceridian Copy of the COBRA Notification form is sent directly to Ceridian at the time the other copies of COBRA Notification form and Rate Sheet are sent to the employee.
4. Employee/Dependent(s) has 60 days to elect COBRA coverage.
5. If the Employee/Dependent(s) elect COBRA coverage, Ceridian bills him/her for all premium to pay through current month. The Employee/Dependent(s) has 45 days to return full payment to Ceridian.
6. Once Ceridian receives payment, it is forwarded to the Group with the Employer Copy (Participant Update). The Group faxes the form to Health Advantage Customer Accounts Division, fax number 501-301-6869.
7. Ceridian bills the continuant monthly and remits payment to the Group. The Group is responsible for payment of premium to Health Advantage.
8. The Group must notify Health Advantage of any changes in status.

Groups subject to COBRA but do not use a COBRA Compliance Administrator

1. The Group notifies Health Advantage to terminate coverage.
2. The Group notifies Employee/Dependent(s) within 14 days of Qualifying Event.
3. Employee/Dependent(s) has 60 days to elect COBRA coverage from the date coverage ends or the date of the notification, whichever is later.
4. If elected, the Group sends in Employee Application or change form with COBRA effective date for Member to be reinstated on COBRA continuation without a break in coverage.

Group Administrator Guidelines (paper enrollment)

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(All forms available at HealthAdvantage-hmo.com)