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General Notice and COBRA Continuation Coverage Election Notice

IMPORTANT INFORMATION: COBRA Continuation Coverage and other Health Coverage Alternatives

Dear Former Employee and Eligible Dependents:

This notice has important information about your rights related to continued health care coverage in your GIC Health Plan, as well as other health coverage options that may be available to you, including coverage through Medicaid or the Health Insurance Marketplace^{®1}. To sign up for Marketplace coverage, visit www.HealthCare.gov or call 1-800-318-2596 (TTY: 1-855-889-4325). People in most states use www.HealthCare.gov to apply for and enroll in health coverage; if your state has its own Marketplace platform, you can find contact information here: www.HealthCare.gov/marketplace-in-your-state/.

Please read the information in this notice very carefully before you make your decision. If you choose to elect COBRA continuation coverage, you should use the Election Form provided later in this notice.

The American Rescue Plan Act of 2021 (ARP) provides temporary premium assistance for COBRA continuation coverage. The premium assistance is available to certain individuals who are eligible for COBRA continuation coverage due to a qualifying event that is a reduction in hours or an involuntary termination of employment. If you qualify for the premium assistance, you need not pay any of the COBRA premium otherwise due to the plan. This premium assistance is available from April 1, 2021 through September 30, 2021. If you continue your COBRA continuation coverage beyond that date, you will have to pay the full amount due. However, when your premium assistance ends, you may qualify for a special enrollment period to enroll in coverage through the Health Insurance Marketplace[®] (see section on “the Health Insurance Marketplace[®]” below).

To determine whether you are eligible for COBRA premium assistance under the ARP, carefully review this notice and the attached document titled “Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021”. **If you believe you are an eligible individual and want to elect COBRA continuation coverage with temporary premium assistance, complete the “Request for Treatment as an Assistance Eligible Individual” and return it to the health plan with your completed Election Form.**

¹ Health Insurance Marketplace[®] is a registered service mark of the U.S. Department of Health & Human Services.

Why am I getting this notice?

You're getting this notice because your coverage under the Plan will end due to one of the following reasons:

- End of employment (voluntary)
- End of employment (involuntary)
- Reduction in hours of employment
- Death of employee
- Loss of dependent child status
- Divorce or legal separation

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage through COBRA continuation coverage when there's a "qualifying event," such as those listed above, that would result in a loss of coverage under an employer's plan.

What's COBRA continuation coverage?

COBRA continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries who aren't getting continuation coverage. Each "qualified beneficiary" (described below) who elects COBRA continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan.

Who are the qualified beneficiaries?

Each GIC insured person ("qualified beneficiary") in the category(ies) below can independently elect COBRA continuation coverage:

- Employee or former employee
- *Spouse or former spouse*
- Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage (A parent or legal guardian can *elect on behalf of a dependent.*)
- Child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan

Are there other coverage options besides COBRA continuation coverage?

Yes. There may be other coverage options for you and your family through a Marketplace, Medicare, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Additionally, you may apply for and, if eligible, enroll in Medicaid at any time. If you are not eligible for premium assistance under the ARP, some of these options may cost less than COBRA continuation coverage. If you are eligible for other group health coverage, such as through a new employer's plan or a spouse's plan (not including excepted benefits, a qualified small employer health reimbursement arrangement (QSEHRA), or a health flexible spending arrangement (FSA)), or if you are eligible for Medicare, you are not eligible for ARP premium assistance. However, if you have individual health insurance coverage, like a plan through a Marketplace, or if you have Medicaid, you may be eligible for ARP premium assistance if you elect COBRA continuation coverage. You will not be eligible

for a premium tax credit, or advance payments of the premium tax credit, for your Marketplace coverage for months you are enrolled in COBRA continuation coverage and you may not be eligible for months during which you remain an employee but are eligible for COBRA continuation coverage with premium assistance because of a reduction of hours. If you're eligible for Medicare, consider signing up during its special enrollment period to avoid a coverage gap when your COBRA coverage ends and a late enrollment penalty.

You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible. Also, keep in mind that if you elect COBRA continuation coverage with premium assistance, then you may qualify for a special enrollment period to enroll in Marketplace coverage when your premium assistance ends. You may use the special enrollment period to enroll in Marketplace coverage with a tax credit if you end your COBRA continuation coverage when your premium assistance ends and you are otherwise eligible.

When you lose job-based health coverage, it's important that you choose carefully between COBRA continuation coverage and other coverage options, because once you've made your choice, it can be difficult or impossible to switch to another coverage option until the next available open enrollment period.

If I elect COBRA continuation coverage, when will my coverage begin and how long will the coverage last?

If elected, COBRA continuation coverage will begin on the first day following your employer group health plan coverage end date and can last for up to 18 months. If your COBRA qualifying event was the employee's reduction in hours or involuntary termination of employment, you may be eligible for ARP premium assistance through September 30, 2021.

COBRA continuation coverage may end before the date noted above in certain circumstances, including for failure to pay premiums, for fraud, or if you become covered under another group health plan or entitled to Medicare.

Can I extend the length of COBRA continuation coverage?

If you elect COBRA continuation coverage, you may be able to extend the length of COBRA continuation coverage if a qualified beneficiary is disabled or if a second qualifying event occurs. You must notify the Group Insurance Commission of a disability or a second qualifying event within a certain time period to extend the period of COBRA continuation coverage. If you don't provide notice of a disability or second qualifying event within the required time period, it will affect your right to extend the period of continuation coverage.

For more information about extending the length of COBRA continuation coverage, visit <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/an-employees-guide-to-health-benefits-under-cobra.pdf>.

How much does COBRA continuation coverage cost?

You are only eligible for COBRA continuation coverage in the plan you had at the time of termination. COBRA continuation coverage will cost:

Health Plan	Individual Coverage	Family Coverage
UniCare State Indemnity Plan/Basic with CIC	\$1,223.97	\$2,718.08
UniCare State Indemnity Plan/Basic without CIC	1,162.37	2,577.84
UniCare State Indemnity Plan/PLUS	794.85	1,897.41
Tufts Health Plan Navigator	850.40	2,079.57
Fallon Health Select	877.18	2,135.12
Harvard Pilgrim Independence Plan	980.12	2,394.87
Health New England	640.69	1,529.18
Allways Health Partners Complete	780.59	2,038.66
UniCare State Indemnity Plan/Community Choice	603.60	1,500.10
Tufts Health Plan Spirit	649.22	1,567.26
Fallon Health Direct	648.01	1,638.21
Harvard Pilgrim Primary Choice Plan	709.43	1,811.25

COBRA rates effective 7/1/21

ARP reduces the COBRA premium to zero in some cases. If you qualify as an “Assistance Eligible Individual” under the ARP, the monthly premium cost will be zero through September 30, 2021.

If you choose to elect continuation coverage, you don’t have to send any payment with the Election Form. Additional information about payment, if necessary, will be provided to you after the Election Form is received by the Plan. Important information about paying your premium can be found at the end of this notice.

You may qualify for a special enrollment period to enroll in Marketplace coverage when your COBRA continuation coverage and/or your premium assistance ends. You may be able to get coverage through Medicaid or the Health Insurance Marketplace®. You can learn more about the Marketplace below.

What is the Health Insurance Marketplace®?

The Health Insurance Marketplace® offers “one-stop shopping” to find and compare private individual health insurance options. In the Marketplace, you could be eligible for a subsidy that lowers your monthly premiums and for cost-sharing reductions (that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your subsidized premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Under the ARP, individuals and families may be eligible for a temporary increase in their premium tax credit, and advance payments of the premium tax credit, for this year, with no one who is eligible paying more than 8.5% of their household income towards the cost of the benchmark plan or a less expensive plan for plan years 2021 and 2022. Through a Marketplace, you can also learn if you may qualify for free or low-cost coverage from [Medicaid](#) or the [Children’s Health Insurance Program \(CHIP\)](#). People in most states use [HealthCare.gov](#) to apply for and enroll in Marketplace coverage; if your state has its own Marketplace

platform you can find contact information for your State Marketplace here:
<https://www.healthcare.gov/marketplace-in-your-state/>.

Being offered COBRA continuation coverage won't limit your eligibility for Medicaid. It also won't limit your eligibility for Marketplace coverage or for a subsidy through a Marketplace, if you are a former employee of the employer offering the coverage. But you won't be eligible for a subsidy or a tax credit during any month that you're enrolled in COBRA continuation coverage. Therefore, if you want to use a special enrollment period to enroll in Marketplace coverage with a subsidy or a tax credit, you must end your COBRA continuation coverage before your Marketplace coverage starts.

If you are currently employed by the employer offering the COBRA continuation coverage with premium assistance, you may enroll in Marketplace coverage but you may be ineligible for a subsidy or a premium tax credit for the Marketplace coverage for the period you are offered the COBRA continuation coverage with premium assistance.

When can I enroll in Marketplace coverage?

Marketplace-eligible consumers can enroll in Marketplace coverage if they qualify for a special enrollment period. For example, Marketplace-eligible consumers always have 60 days from the time they lose your job-based coverage to enroll in the Marketplace, or they can apply up to 60 days beforehand if they know they'll lose coverage ahead of time. **After 60 days, the special enrollment period will end and Marketplace-eligible consumers may not be able to enroll unless they qualify for another special enrollment period, so they should take action right away if they want to enroll in Marketplace coverage.** In addition, during what is called an "open enrollment" period, Marketplace-eligible consumers can enroll from November 1 – December 15 in Marketplace coverage that starts on January 1. Finally, they may apply for and, if eligible, enroll in Medicaid coverage at any time.

Note that due to COVID-19, for Marketplaces that use HealthCare.gov, all Marketplace-eligible consumers who are submitting a new application or updating an existing application can access a special enrollment period available through the HealthCare.gov platform from February 15 through August 15 of 2021. For more information, please see: www.HealthCare.gov/sep-list/. Marketplace-eligible consumers in states with Marketplaces that do not use the HealthCare.gov platform should consult their Marketplace to find out whether they have a special enrollment period available to them. If your state has its own Marketplace platform you can find contact information for your State Marketplace here: www.HealthCare.gov/marketplace-in-your-state/.

Additionally, under the ARP, individuals and families may be eligible for a temporary increase in their premium tax credit and advance payment of the premium tax credit for 2021 and 2022, with no one who is eligible paying more than 8.5% of their household income towards the cost of the benchmark plan or a less expensive plan.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.HealthCare.gov/coverage-outside-open-enrollment/special-enrollment-period/. If your state has its own Marketplace platform, you can find contact information for your State Marketplace here: <https://www.HealthCare.gov/marketplace-in-your-state/>. Note, you may apply for and, if eligible, enroll in Medicaid coverage at any time.

If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during the annual Marketplace open enrollment period or during a special enrollment period. If you elect COBRA continuation coverage with premium assistance, then you may qualify for a special enrollment period to enroll in Marketplace coverage when your premium assistance ends. You may use the special enrollment period to enroll in Marketplace coverage with a tax credit if you end your COBRA continuation coverage when your premium assistance ends and you are otherwise eligible. But be careful: if you terminate your COBRA continuation coverage early without another event that qualifies you for special enrollment, you may have to wait to enroll in Marketplace coverage until the next available open enrollment period, and could end up without any health coverage in the interim.

Alternatively, once you've exhausted your COBRA continuation coverage and the coverage expires, you may be eligible for a special enrollment period to enroll in Marketplace coverage, if you are Marketplace-eligible, even if Marketplace open enrollment has ended and no other qualifying events apply. For more information on COBRA continuation coverage and the Marketplace, see www.HealthCare.gov/unemployed/cobra-coverage/.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage once your COBRA election period ends.

Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you're eligible, you'll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.

Can I enroll in Medicare instead of COBRA continuation coverage after my group health plan coverage ends?

In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the initial enrollment period for Medicare Part A or B, you have an 8-month special enrollment period² to sign up, beginning on the earlier of:

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare Part B and elect COBRA continuation coverage instead, you may have to pay a Part B lifetime late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and then enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However,

² <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>. These rules are different for people with End Stage Renal Disease (ESRD).

if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA continuation coverage may not be discontinued based on Medicare eligibility, even if you enroll in the other part of Medicare after the date of the election of COBRA continuation coverage.

If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (as the primary payer) and COBRA continuation coverage will pay second. Certain COBRA continuation coverage plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit <https://www.medicare.gov/medicare-and-you>.

What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for COBRA continuation coverage (or up to 150% of total plan premiums after 18 months if you choose to extend the COBRA continuation coverage period beyond 18 months due to the disability of a qualified beneficiary) if you are not eligible for premium assistance under the ARP. If you are eligible for premium assistance under the ARP, your plan can charge this amount if you continue your COBRA continuation coverage beyond September 30, 2021. Other options, like coverage on a spouse's plan, Medicaid or coverage through a Marketplace plan, may be less expensive at that point.
- **Provider Networks:** If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network and whether you will have access to that network through any other option as you consider options for health coverage.
- **Drug Formularies:** If you're currently taking medication, a change in your health coverage may affect your costs for medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA continuation coverage premium payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- **Service Areas:** Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments. You may also want to consider whether you have met your deductible or maximum out-of-pocket limit under your COBRA continuation coverage.

For more information

This notice doesn't fully describe COBRA continuation coverage or other rights under the Plan. More information about COBRA continuation coverage and your rights under the Plan is available in your summary plan description or from your Plan Administrator.

If you have questions about the information in this notice, your rights to coverage, contact Group Insurance Commission, PO Box 556, Randolph, MA 02368 or by phone at 617-727-2310 or through our Online Contact Form on the GIC's website. If you want a copy of your summary plan description visit <https://www.mass.gov/info-details/gic-non-medicare-health-insurance-products>.

For more information about your rights under COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at <https://www.dol.gov/agencies/ebsa>, contact them electronically at askebsa.dol.gov, or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace[®], and to locate an assister in your area who you can talk to about the different options, visit www.HealthCare.gov.

Keep Your Plan Informed of Address Changes

To protect your and your family's rights, keep the Plan Administrator informed of any changes in your address and the addresses of family members. You should also keep a copy of any notices you send to the Plan Administrator.

COBRA Continuation Coverage Election Form

Instructions: To elect COBRA continuation coverage, complete this Election Form and return it to us within 60 days of your coverage end date. If you fail to elect COBRA continuation coverage and the premium assistance, if applicable, within 60 days of your coverage end date you will be ineligible for the premium assistance and the additional COBRA election period under the ARP.

Send this completed Election Form and ARP Premium Assistance Application, if applicable, to:
Group Insurance Commission
PO Box 556
Randolph, MA 02368

This Election Form and ARP Premium Assistance Application, if applicable, must be completed and returned by mail and must be post-marked within 60 days of your coverage end date.

If you don't submit a completed Election Form by the due date shown above, you may lose your right to elect COBRA continuation coverage. If you reject COBRA continuation coverage before the due date, you may change your mind as long as you submit a completed Election Form before the due date.

Read the important information about your rights included in the pages after the Election Form.

I (We) elect COBRA continuation coverage in the _____
(Health Plan Name)

Please list all family members applying for COBRA continuation coverage:

Name of Insured: _____

Home Address: _____

Insured's Social Security Number: _____

GIC Health Plan Coverage End Date (if known): _____

(Check one): I am the Insured

Insured's Dependent (spouse, child)* _____

Insured's Dependent (spouse, child)* _____

Insured's Dependent (spouse, child)* _____

Insured's signature:

Date

Telephone number

Email Address

You must include the ARP Premium Assistance application, if applicable, with this COBRA enrollment form. Failure to complete and return both applications may jeopardize your eligibility for this program. Your eligibility for the COBRA subsidy under the American Rescue Plan will be determined on receipt of your application.

Important Information About Payment

The following payment information is relevant for individuals who are not eligible for the premium assistance under the ARP:

First payment for COBRA continuation coverage

You must make your first payment for COBRA continuation coverage no later than 45 days after the date of your election (this is the date the Election Notice is postmarked). If you don't make your first payment in full no later than 45 days after the date of your election, you'll lose all COBRA continuation coverage rights under the Plan. You're responsible for making sure that the amount of your first payment is correct. You may contact the Group Insurance Commission to confirm the correct amount of your first payment.

Periodic payments for continuation coverage

After you make your first payment for COBRA continuation coverage, you'll have to make periodic payments for each coverage period that follows. The amount due for each coverage period for each qualified beneficiary is shown on your monthly invoice. Under the Plan, each of these periodic payments for COBRA continuation coverage is due by the due date on your GIC billing invoice.

Grace periods for payments

Although periodic payments are due on the dates shown on your billing invoice, if you miss a payment, you will receive a final notice for payment. All payments must be paid by the due date on the final notice. You'll get COBRA continuation coverage for each coverage period as long as payment for that coverage period is made before the due date on the final notice.

If you don't make full payment before the due date on the final notice for that coverage period, you'll lose all rights to COBRA continuation coverage under the Plan.

All payments for COBRA continuation coverage should be sent **with your billing invoice** to:

Mail Payment To:
Group Insurance Commission
P.O. BOX 417459
BOSTON MA 02241-7459