



**EMPLOYER ADMINISTRATION MANUAL**

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## **WELCOME TO AOI HEALTHCHOICE**

Thank you for selecting **AOI HealthChoice**.

This is your Employer Administration Manual. This Manual contains important information that will assist you with the enrollment process and the administration of the AOI HealthChoice benefit plans. Detailed information is included on eligibility and enrollment. General information regarding other procedures and benefits are also included to assist you in answering your employees' questions.

This manual is applicable for all of the health plans, and includes procedures and provisions that are common to all participating health plans. Please refer to the specific health plan contracts or benefit booklets for information pertinent to each of the health plans, such as:

- Specific benefits
- Limitations and exclusions under each plan
- Instructions for selecting or changing a primary care physician (PCP)
- Instructions and requirements for obtaining a referral to a specialist

## **SECTION I**

### **AOI HEALTHCHOICE PARTICIPATION POLICIES**

The following pages outline the AOI HealthChoice Participation Policies. Please review them thoroughly. As a member of AOI HealthChoice, you have agreed to comply with these policies.

# PARTICIPATION POLICIES

## ***EMPLOYER ELIGIBILITY***

1. The employer must be a current member of Associated Oregon Industries or must be accepted for membership upon enrolling in AOI HealthChoice.
2. An employer's participation in AOI HealthChoice will automatically terminate as of the earliest of the following dates:
  - The last day of the coverage month for which all required premiums have been paid, if the employer fails to pay required premiums by the due date.
  - The last day of the prior coverage month, if the employer ceases to meet the minimum qualifications for participation in the program.
  - The last day of the coverage month for which AOI membership dues have been paid, if the employer terminates membership in AOI.
  - The date on which the employer commits fraud and or other material misrepresentation with respect to its participation in AOI HealthChoice.
  - If the AOI HealthChoice Trust is terminated, the date of the termination.

The Trustees may, at their discretion, waive the above automatic termination provisions pursuant to uniform principles applied generally.
3. An employer may voluntarily terminate participation in AOI HealthChoice by giving written notice to the AOI HealthChoice administrator. If an employer terminates participation, the Trustees may, in their discretion, refuse to allow the employer to resume participation.
4. 90% of the employer's employees must work in the state of Oregon.
5. The employer must have two or more **enrolled** eligible employees to participate in the program
6. The Trustees reserve the right to accept or deny participation in AOI HealthChoice based on the employer's compliance with AOI HealthChoice participation and administrative policies.
7. AOI HealthChoice requires proof of employment for all employees prior to enrollment, for groups with 2-10 employees. Acceptable forms of documentation include; Schedule SE from the 1040 and W-2's for each employee working 17.5 hours or more per week. Payroll records that clearly confirm that the group is an eligible employer or a Form 132 are also acceptable. If the preferred documentation listed above is not available, then a complete Business Employment Verification Statement will be accepted for review.

## ***PLAN DESIGN/POLICY POSITIONS***

1. Each employer group will have an annual open enrollment period with plan selection/changes effective the first of January or July. Groups initially effective the first of January, February, March, April, May, or June will conduct open enrollment in December with changes effective in January. Groups initially effective July, August, September, October, November, or December will conduct open enrollment in June with changes effective in July.
2. Coverage for all eligible groups will be on a guarantee issue basis in accordance with Oregon state law.
3. Four-tier composite rating will be provided on all groups with two or more eligible employees.

## ***EMPLOYER CONTRIBUTION/RATES***

1. The employer must contribute a minimum of 50% of the single employee cost of the benefit plan selected for the group or an equivalent amount, and must indicate proposed contribution on the Employer Group Application.
2. Proposed rates will be adjusted based on final enrollment.

## ***EMPLOYEE PARTICIPATION***

1. 100% of the eligible employee population must participate for groups of 2-10. 75% of the eligible employee population must participate for groups of 11 or more. This requirement does not include employees that waive coverage because of coverage under another group plan, including Medicare or Medicaid.
2. Participation percentages will be verified at the point of initial enrollment and renewal. AOI HealthChoice reserves the right to review and enforce participation rules.

## ***EMPLOYEE ELIGIBILITY***

1. An eligible employee is a permanent employee working at least 17.5 hours per week on a regular basis. Employers may establish a higher requirement for hours worked. Contributions for employees working less than 40 hours cannot be prorated.
2. The employer may set new-hire waiting periods for employee coverage. Coverage is effective on the first day of the month following the waiting period. The options the employer may elect are: first of the month following date of hire, or the first of the month following 30, 60, 90, 120 or 180 days from date of hire. The employer may select varying waiting periods for different classes of eligible employees.
3. Employees must enroll in AOI HealthChoice within 30 days of becoming eligible. If the employee waives coverage, the employee cannot enroll in AOI HealthChoice until the next annual open enrollment period, or the first of the month following loss of coverage under another plan, death of a spouse, divorce, or within 30 days of acquiring a new dependent as a result of marriage, birth, adoption, or placement for adoption.
4. Coverage for terminated employees and/or dependents will cease at the end of the month of termination.

## ***DEPENDENT ELIGIBILITY***

1. Spouse: Includes same-sex or opposite-sex domestic partner. Does not include common law partner or spouse from whom the employee is legally separated.
2. Eligible Dependents:
  - Unmarried natural child, legally adopted child, stepchild or a child of court appointed legal guardian dependent upon the employee for support and maintenance to the age 23. Children of court ordered legal guardians must live in the employee's home. Coverage is effective through the last day of the month in which the child reaches limiting age.
  - Children who do not reside with the employee, but for whom the employee is obligated by court decree to provide medical coverage.
  - Foster children who are not covered by Medicaid or other government plan and who reside with the employee as a result of a court action or by the voluntary request of the child's parent or guardian if placement is made and supervised by a county or private agency.
  - Any dependent child who becomes incapable of self sustaining employment due to mental retardation or physical handicap prior to age 23 as long as the handicap remains in effect and the employee's coverage under the plan continues.
3. Dependents become eligible for coverage on the first date of the qualifying event (birth, adoption) if necessary documentation has been submitted. Dependents must be enrolled within 30 days of the following events: marriage, birth, adoption, or placement for adoption. In the case of marriage, the dependent's coverage is effective on the first of the month following the event.

## ***COBRA***

1. All members of AOI HealthChoice who have 20 or more employees are subject to the Federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).
2. COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) is the working title of a federal mandate which provides opportunity for previously insured members who lose their coverage under special circumstances (qualifying events) to continue coverage at their own expense if they are not eligible for coverage under another group plan or Medicare.
3. **IMPORTANT:** It is the employer's responsibility to comply with the COBRA notification requirements. This includes notification to the participant of the continuation rights within 14 days of the qualifying event. The employee has 60 days from the date of notification or the date of the qualifying event to inform the employer of the decision to continue coverage. The employer will be responsible for premium collection unless administered by an independent administrator.
4. COBRA administration services are available at no cost to the employer through AOI HealthChoice. Please contact the AOI HealthChoice Customer Service Center at 1-866-477-5336 for details.

## ***PREMIUM INVOICES/PREMIUM PAYMENT***

When Premium payment is due:

1. First month's premium is due with initial submission of completed enrollment materials.
2. Payment invoice will be sent to the employer on approximately the 12<sup>th</sup> day of each month for the following month's coverage.
3. Premium payment is due on the 26th day of the month preceding the month of coverage.
4. Notification of pending termination will be sent on the 26th day (or next business day) of the month. This notice is provided as a courtesy to the employer. Failure to provide the notice will not affect the termination of the employer's participation.
5. If terminated, a one-time reinstatement will be allowed. A reinstatement fee consisting of \$300 will be assessed.
6. AOI HealthChoice will assess a \$30 service fee for non-sufficient funds (NSF) checks.
7. If an employer's participation is terminated for any reason, AOI HealthChoice may take legal or equitable action to collect any unpaid contributions or other amounts owed to it by the employer. AOI HealthChoice is also entitled to recover its full collection costs, including reasonable attorney fees.

## ***AOI MEMBERSHIP***

If an employer is not already a member of Associated Oregon Industries, the employer must apply for AOI membership at the same time as membership in AOI HealthChoice. AOI membership dues must be submitted with the AOI application before the group can be enrolled. The employer must maintain active membership in AOI in order to maintain eligibility for the AOI HealthChoice program.

## ***NOTE***

The role of AOI HealthChoice is solely to facilitate access to health care coverage, and AOI HealthChoice does not provide or act as a guarantor of insurance coverage or health care benefits or services. All coverage is provided directly by the health plans. Members agree that AOI HealthChoice shall not be responsible for any negligence or malpractice on the part of any health plan or its health care providers or for the failure of any health plan to provide or arrange for the provision of covered services.

## **HOW AOI HEALTHCHOICE WORKS**

AOI HealthChoice offers each employer a choice of medical and dental benefit plans. The employees can then enroll with the carrier of his or choice. The AOI HealthChoice carrier partners are:

- Kaiser Permanente (medical and dental)
- Health Net of Oregon (medical)
- Advantage Dental (dental)

Employers can choose to offer additional benefits to their employees, such as vision and dental coverage. If the employer decides to offer dental coverage, employees can choose the carrier from which they would like to receive their coverage, as with the medical plans.

The AOI HealthChoice Customer Service Center is available toll-free to assist your participants in determining which plans their doctors participate. You may also access each carrier's provider directory through links on the AOI HealthChoice website, <http://aoihc.aoi.org>. For specific plan information, employees should contact the health plans directly. Phone numbers for these services are in Section II.

Some employees may live/work outside the service area of some of the plans. Employees must select a plan which serves their zip code area. Not all benefit plans are available in all regions of the state.

**SECTION II**

**GENERAL INFORMATION**

## **ROLES AND RESPONSIBILITIES**

### **Agent Responsibilities**

- Obtain appointment with AOI HealthChoice e.
- Maintain single or agency membership in AOI.
- Explain the product and administrative requirements to the employer, obtain and present proposal.
- Equally represent all health plans and plan designs to employers.
- Enroll the group - conduct employee enrollment meetings.
- Answer general questions from the employer and employees.
- Assist employer with joining AOI when necessary.
- Submit completed enrollment materials on behalf of employer and employees.
- Assist with general customer service.
- Present renewals.

### **Associated Oregon Industries (AOI)**

- Membership issues.
- Member services as per membership agreement.

### **AOI HealthChoice Administrators**

- Agent relations.
- Maintain Agent commission data and pay commissions.
- Provide Proposals/Quotes.
- Monthly premium billing.
- Process initial and ongoing group enrollment.
- Communicate employee eligibility to health plans.
- Facilitate supply requests.
- Distribute renewal materials.
- Provide general customer service.
- Act as employee advocate for resolution of claim and health plan issues.

## **Health Plans**

- Issue ID cards.
- Manage care.
- Issue provider directories.
- Mail membership packets to employees.
- Pay claims.
- Provide network management & quality assurance.
- Provide renewal rates.
- Provide members and/or Agents with directories and booklet/certificate of coverage for all benefit plans.
- Member services - i.e. answer benefit questions, specific claim questions.

## PROBLEM RESOLUTION

For the types of problems listed in the left-hand column, contact the party indicated on the right:

<p><b><i>Administration</i></b></p> <ul style="list-style-type: none"> <li>• Billing questions</li> <li>• Employee eligibility changes</li> <li>• Change Agent/broker of record</li> <li>• Employee/dependent change of primary care physician</li> <li>• To request additional supply of Enrollment/Change Forms</li> <li>• ID card issues</li> </ul>	<p>AOI HealthChoice Administrators AOI HealthChoice Administrators AOI HealthChoice Administrators</p> <p>Contact the health plan in which the employee/dependent is enrolled AOI HealthChoice Administrators</p> <p>Contact the health plan or AOI HealthChoice Administrators</p>
<p><b><i>Enrollment</i></b></p> <ul style="list-style-type: none"> <li>• Information about AOI membership and services</li> <li>• General employee and employer questions about AOI HealthChoice</li> <li>• Specific employee questions about health plan coverage, exclusions and limitations</li> <li>• Assistance in conducting employee enrollment meetings</li> <li>• For general cost and coverage questions</li> <li>• For directories of participating physicians and hospitals</li> </ul>	<p>Associated Oregon Industries</p> <p>AOI HealthChoice Administrators</p> <p>Contact the participating health plans</p> <p>Contact your Agent</p> <p>Contact your Agent</p> <p>Contact your Agent or go to <a href="http://aoihc.aoi.org">http://aoihc.aoi.org</a></p>
<p><b><i>Employee Claim Payment Issues</i></b></p> <ul style="list-style-type: none"> <li>• For specific questions about coverage</li> <li>• For claim appeals</li> <li>• For follow up on unsatisfactory claim appeals</li> <li>• For questions about hospital pre-certification</li> <li>• To obtain additional copies of a booklet/certificate</li> <li>• To check on the status of claim payment</li> <li>• For a provider to verify eligibility of a patient</li> </ul>	<p>Contact the health plan</p> <p>Contact the health plan AOI HealthChoice Administrators</p> <p>Contact the health plan</p> <p>Contact the health plan</p> <p>Contact the health plan</p> <p>Contact the health plan or AOI HealthChoice Administrators</p>

## **IMPORTANT PHONE NUMBERS**

### ***ASSOCIATED OREGON INDUSTRIES (AOI)***

503/588-0050

### ***AOI HEALTHCHOICE ADMINISTRATORS***

866/477-5336 or 503/968-2360

### ***HEALTH PLANS***

- Kaiser Permanente

800/813-2000

503/813-2000

- Health Net of Oregon

888/802-7001

- Advantage Dental

866/268-9670

## FREQUENTLY ASKED QUESTIONS

### **How do I obtain coverage through AOI HealthChoice?**

Follow these steps:

1. The Employer will select a benefit plan for the group. For specific information regarding plans and benefits, please refer to the Summary of Benefits for that plan, or contact the AOI HealthChoice Customer Service Center.
2. Check to see if your doctor participates in one of the health plans by checking the carriers' provider directories online by visiting the AOI HealthChoice website at <http://aoihc.aoi.org> calling the AOI HealthChoice Customer Service Center at 1-866-477-5336.
3. Complete the employee enrollment form and return it to your employer.

### **What if I've never used an HMO or PPO plan before?**

HMOs and PPOs are easy-to-use and cost-effective. In an HMO plan, your care revolves around your relationship with your Primary Care Physician (PCP). Should you require a visit to a specialist, your PCP will authorize your referral. For PPO plans, referrals to specialists are not necessary.

### **How are PPO plans different from HMO plans?**

HMO plans require a patient to access coverage through a Primary Care Physician (PCP). All access to care and referrals to specialists must be obtained through the PCP. PPO plans do not require a PCP selection; a patient may see any doctor or specialist who participates in the health plan's physician network and receive full coverage benefits as defined in the patient's plan document. Patients on a PPO plan may also choose to see a doctor or specialist outside the health plan's physician network; out-of-network benefits are generally lower than in-network benefits.

### **Do I have to work full-time to be eligible for coverage?**

You must be a permanent, regular (not seasonal) employee working the minimum hours to be eligible as defined by your employer on a regular basis (but at least 17.5 hours per week).

### **How is a dependent defined?**

A dependent is a legally recognized spouse, domestic partner, any unmarried natural child, stepchild or adopted child who depends on you for support and maintenance. A child is considered to be a dependent at birth or when you legally adopt or retain physical custody of the child. Stepchildren become dependents when you marry the natural or adopted stepchild's parent. A child can be covered until the age of 23. Coverage terminates at the end of the month when your child reaches the age limit. The definition of spouse does not include common law partner or spouse from whom the employee is legally separated.

### **What if my dependents or I live out-of-state?**

Contact your Agent or the Member Services Department of your health plan to obtain more specific information about out-of-state coverage.

### **What if I have a medical emergency while traveling out of the service area?**

All of the health plans provide coverage for life threatening emergency services out of the area. Check your benefit booklet for specifics about the services each health plan covers out of their service areas.

### **If I'm a new employee, when am I eligible for coverage?**

Your employer has determined the waiting period for all new employees. Consult with your employer on this issue. Coverage becomes effective the first of the month following the date you are eligible.

### **If I'm dissatisfied with the service I receive, whom should I notify?**

AOI HealthChoice selected health plans that are known for their high level of quality service. However, if you are dissatisfied with the care you received, first contact the member services representative at your health plan. If you are still not satisfied, contact AOI HealthChoice at 1-866-477-5336, and we will help you resolve your issue.

### **How often can I change physicians?**

You may change your primary care physician by contacting your health plan directly. Most health plans will limit the number of times you change your physician during a calendar year.

### **May I continue to see my current doctor?**

Visit <http://aoihc.aoi.org> for the most current carrier provider directories or call the AOI HealthChoice Customer Service Center at 1-866-477-5336 to see if your doctor participates in one of the health plan networks. Through the PPO plans offered, you can see any eligible provider or hospital anywhere in the world and receive out-of-network coverage for covered benefits.

### **What if I lose my job?**

Coverage terminates at the end of the month in which your termination occurred. You may be eligible for COBRA continuation coverage at the time of your termination for up to 18 months, state continuation of group coverage or portability. Your employer will let you know the details and the costs.

**What if I have other coverage or don't want to enroll?**

You may waive participation in AOI HealthChoice by completing the waiver of coverage section on the Enrollment/Change Form and returning it to your employer. You will not be eligible to enroll again until your employer's next open enrollment period.

**What if I change my mind and decide I want to enroll at a later date?**

You must wait until the next open enrollment to enroll unless you lose the coverage you have through your spouse's employment, or become eligible for a special enrollment period, provided you request enrollment within 30 days after your coverage ends, or after the acquisition of a new dependent as a result of marriage, birth, adoption, or placement for adoption.

**In the event of marriage, divorce, or pregnancy, how do I add or delete dependents from my coverage?**

You must notify your employer and complete an Enrollment/Change Form. All plans require you make this change within 30 days of the event.

**SECTION III**

**ELIGIBILITY REQUIREMENTS**

## EMPLOYER ELIGIBILITY REQUIREMENTS

To participate in AOI HealthChoice:

- An employer must be a current member of the Associated Oregon Industries or must be accepted for membership upon enrolling in AOI HealthChoice.
- 90% of employees must work in the state of Oregon.
- The employer must have two or more **enrolled** eligible employees.
- AOI HealthChoice requires proof of employment for all employees prior to enrollment, for groups with 2-10 employees. Acceptable forms of documentation include; Schedule SE from the 1040 and W-2's for each employee working 17.5 hours or more per week. Payroll records that clearly confirm that the group is an eligible employer or a Form 132 are also acceptable. If the preferred documentation listed above is not available, then a complete Business Employment Verification Statement will be accepted for review.
- 100% of the eligible employee population base must participate for groups of 2-10. 75% of the eligible employee population base must participate for groups of 11 and more. This requirement does not include employees who waive coverage because of coverage under another group health plan, including Medicare or Medicaid.
- Participation percentages will be verified at the point of open enrollment and renewal. AOI HealthChoice reserves the right to review and enforce participation rules.

An employer's participation in AOI HealthChoice will automatically terminate as of the earliest of the following dates:

- The last day of the coverage month for which all required premiums have been paid, if the employer fails to pay required premiums by the due date.
- The last day of the prior coverage month, if the employer ceases to meet the minimum qualifications for participation in the program.
- The last day of the coverage month for which AOI membership dues have been paid, if the employer terminates membership in AOI.
- The date on which the employer commits fraud or other material misrepresentation with respect to its participation in AOI HealthChoice.
- If the AOI HealthChoice Trust is terminated, the date of the termination.

The Trustees may, at their discretion, waive the above automatic termination provisions pursuant to uniform principles applied generally.

An employer may voluntarily terminate participation in AOI HealthChoice by giving written notice to the AOI HealthChoice administrator.

**NOTE: If an employer joins AOI HealthChoice and subsequently terminates, the employer may not be allowed to resume participation in AOI HealthChoice for at least two full calendar years.**

## **EMPLOYEE/DEPENDENT ELIGIBILITY REQUIREMENTS**

To participate in the AOI HealthChoice, employees and their dependents must meet **ALL** of the following eligibility requirements.

### **Employees**

An employee is eligible to join the plan if he/she:

1. Is a regular employee of the employer. This means:
  - The employee is paid on a regular, periodic basis through the employer's payroll system.
  - The employer for Social Security purposes reports the employee.
  - The employee is not a temporary employee or contract worker.
2. Is regularly employed 17.5 hours or more per week (the employer may set a higher hours requirement, such as 30 or 40 hours, as long as this is applied consistently in defining a "full-time" employee).
3. Is actively at work on the effective date of coverage; this applies to the employee and any eligible dependents.
4. Has completed the required waiting period.
5. Enrolls during an open enrollment period of the employer or within 30 days of first becoming eligible.

### **Dependents**

Eligible dependents may join the plan when:

- The employee is eligible for coverage.
- The employer has an open enrollment period.
- A spouse and any eligible dependents lose eligibility or medical coverage provided by the spouse's employer; enrollment must occur within 30 days of the date of this occurrence.
- There is a qualifying event (for example, marriage, birth, and adoption).
- When an employee acquires a new dependent, he/she must enroll the new dependent within 30 days.
- If a dependent is confined in a hospital, skilled nursing facility, state-approved chemical dependency treatment facility, or inpatient facility on the date coverage would otherwise become effective, coverage for that dependent will not begin until he/she is discharged from the facility. This does not apply to newborn children.

### **Who is a Dependent?**

- The lawful spouse of an eligible employee, unless legally separated from the employee. Eligible spouse includes domestic partner or common law spouse, whether same-sex or opposite-sex.

- Unmarried natural child, legally adopted child, stepchild or a child of court appointed legal guardianship dependent upon the employee for support and maintenance to the age 23. Coverage is effective through the last day of the month in which the child reaches the limiting age.
- Foster children who are not covered by Medicaid or other government plan and who reside with the employee as a result of a court action or by the voluntary request of the child's parent or guardian if placement is made and supervised by a county or private agency.
- An eligible dependent also includes any child who became incapable of self-sustaining employment due to mental retardation or physical handicap prior to age 23 as long as the handicap remains in effect and the employee's coverage under the plan continues.
- Dependents who meet all of the qualifications above but who are not primarily dependent upon the employee for support may be covered if the employee has a "qualified medical child support order" to provide health coverage for that child.

**NOTE: A person cannot be covered as both an employee and dependent under AOI HealthChoice plans. Children may be covered under the mother or the father; they may not be covered under both.**

**SECTION IV**

**ENROLLMENT**

## **ENROLLING EMPLOYEES AND DEPENDENTS**

### **Enrollment Steps/New Hires**

1. Notify every newly hired employee prior to the eligibility effective date of his/her eligibility to apply for medical coverage.
2. Provide the employee with an Enrollment/Change form. This form can be found on the AOI HealthChoice website at <http://aoihc.aoi.org>.
3. Review the monthly premium rates and required contributions with the employee.
4. If your employee needs assistance, please contact your agent or the AOI HealthChoice Customer Service Center at 1-866-477-5336.

Employees must enroll within 30 days of their eligibility date to receive coverage.

The employee must complete the Employee Enrollment/Change Form in its entirety in order for coverage to become effective.

### **Section I must be completed by the employee who enrolls for coverage.**

To help employees avoid processing delays; the employer should review the enrollment form for completion and pay particular attention to the following areas:

- Social Security number of employee and dependents
- Date of birth for employee and dependents
- Employee signature

### **Section II must be completed by any employee who waives coverage.**

If the employee waives coverage, the employee cannot enroll in AOI HealthChoice until the first of the month following either the next annual open enrollment period, or the loss of coverage under another plan, death of a spouse, divorce or qualification for a special enrollment period due to the acquisition of a new dependent through marriage, birth, adoption, or placement for adoption.

### **Section III must be completed by the Employer indicating the reason the form is being used.**

Please be sure that the enrollment forms are signed and dated by both the employee and employer representative.

### **Late Enrollment of Employee and Dependents**

Employees must enroll within 30 days of their eligibility date to receive coverage.

Dependents must be enrolled within thirty (30) days, based on their eligibility due to marriage, birth, adoption, or placement for adoption.

In all other cases, eligible employees and dependents have the opportunity to enroll in the health plan during the company's next open enrollment period.

**NOTE: Premiums are retroactively billed and due from the effective date of coverage.**

### **Identification Card**

Employees will receive their Identification Card shortly after the health plan receives notification of enrollment. Depending on the health plan selected, the employee may receive a separate Identification Card for the prescription drug plan.

Employees should present their Identification Card to the primary care physician's office staff and to any other health care provider when accessing medical services.

If an employee needs a new card due to a name change, loss or other reason, contact the health plan for a replacement. Phone numbers for each health plan are located in Section II of this manual.

### **While Waiting for an Identification Card**

The employee should keep a copy of the *Employee Enrollment/Change Form*. The employee should present this copy to the primary care physician and other providers until receiving an Identification Card or have the provider contact the selected health plan for eligibility verification.

If an employee needs to fill a prescription and has not received an Identification Card, the employee should pay for the prescription at the time it is filled. The employee should then call the selected health plan for instructions on submitting the claim for reimbursement. Once the form is completed and returned as directed, the employee will be reimbursed directly for the cost of the covered prescription less the co-payment or deductible/coinsurance.

### **Summary Plan Description**

A summary plan description detailing benefits, limitations and exclusions will be sent to each employee within thirty days of the employee's effective date. Please emphasize to new members the importance of reading these materials so that they understand and follow the plan guidelines to ensure plan benefits are payable.

**SECTION V**

**CHANGE REQUESTS**

# ELIGIBILITY CHANGE REQUESTS

## How to Make Changes

Use the Employee Enrollment/Change Form to make any of the following changes:

- Add dependents
- Change in status of an employee or dependent
- Change in employee's address
- Change in employee's name
- Convert to COBRA
- Cancellation of coverage
- Cancellation of all dependents
- Cancellation of named dependent(s)
- Convert to State Continuation of Coverage

At the discretion of AOI HealthChoice and the participating health plans, some changes may be made retroactively up to 60 days. Please contact the AOI HealthChoice Administrators for clarification regarding our policies on specific changes.

## Terminations - When Coverage Ends

Coverage for employees and/or dependents who no longer meet the eligibility requirements will cease at the end of the month. A change form must be completed and submitted within 30 days for all terminations of coverage. Note the exact date employment and/or eligibility ceased.

**NOTE: Please do not withhold premium from billed amount; a credit adjustment will appear on the next monthly premium invoice for retroactive terminations.**

Federal (COBRA) requirements apply to all groups insured through AOI HealthChoice who have 20 or more employees. State continuation and portability options are available to all eligible groups insured through AOI HealthChoice.

**IMPORTANT:** Refer to Section VIII of this manual for information regarding plan continuation.

## Changes - Required Documentation

In order to process the enrollment of dependents outside the times of new enrollment or open enrollment, the following supporting documentation is required, and should be included with the submission of an enrollment/change form.

- **Marriage:** Please submit a copy of the marriage license. Coverage is effective on the first day of the month following the event.

- Loss of other group coverage: Please submit a letter from either the spouse's former employer, or former health plan, indicating the date of loss of coverage. Coverage will be effective on the first day of the month following the date of coverage loss.
- Other: Please contact the AOI HealthChoice Administrators with questions regarding specific events, and subsequent required documentation.

**SECTION VI**

**RENEWAL AND OPEN  
ENROLLMENT PROCESS**

## **RENEWAL AND OPEN ENROLLMENT PROCESS**

The purpose of an annual open enrollment is to give all of your eligible employees and their dependents that previously waived coverage the opportunity to enroll in AOI HealthChoice, and the opportunity to change health plans.

The open enrollment period begins shortly before the group's renewal date.

During the open enrollment period:

- Employers may elect to change the group's benefit level.
- Employers may elect to offer vision and/or dental coverage to their employees.
- Eligible employees who did not enroll when first eligible may enroll.
- Employees may select another medical or dental carrier.
- Employees may add eligible dependents.

All annual open enrollment changes must be submitted to AOI HealthChoice by the 10th of the month prior to the renewal date. All open enrollment changes and any premium rate changes will be effective as of the annual renewal date.

**SECTION VII**

**MONTHLY BILLINGS AND PREMIUM  
PAYMENTS**

## MONTHLY BILLINGS AND PREMIUM PAYMENTS

During the second week of each month you will receive a summary of monthly premium activity for all employees enrolled in your group. Rates shown on this summary statement are based on your current enrollment (census). Final rates are guaranteed until the next open enrollment period. (See Plan Design/Policy Positions in Section I.) Premiums for employees are listed individually on this statement, and are then totaled for a monthly amount due. Prior period adjustments and any unpaid balances are computed and added to the monthly premium to arrive at the total amount due.

Because this is a prepaid health plan, premium payment is due on the 26th day of the month preceding the month of coverage.

**NOTE:** A \$30 service fee will be assessed for non-sufficient funds (NSF) checks.

As premium payments are received and posted, your group's eligibility is automatically updated to cover all periods paid. Your employees' eligible claims will be honored through the last day of each month you prepay. If you do not send timely payments, your group's claims will be suspended until payment is received or your participation is terminated. A one-time reinstatement may be allowed; a reinstatement fee will be assessed as described below.

If you have questions about the monthly premium due, total adjustments, balance forward, credit balance, premium payments, or the total amount due, call the AOI HealthChoice Customer Service Center at 1-866-477-5336.

**Please do not make any adjustments to the premium amount. Adjustments for additions and deletions will be processed with your next monthly invoice.**

If any premium refund is due, the premium refund shall not exceed 31 days of premium.

### **Reinstatement**

If coverage terminates due to lack of premium payment, a one-time reinstatement may be allowed. A reinstatement fee of \$300 will be assessed.

### **Where to Send Payments**

Send the premium invoice with your check (do not send cash) to:

AOI HealthChoice  
PO Box 22389  
Portland, OR 97269

Premium payments will not be accepted at the AOI Salem office.

**SECTION VIII**

**ADDITIONAL INFORMATION**

## **COBRA**

**As participants in AOI HealthChoice, all employers who have 20 or more employees are subject to the Federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).**

"COBRA" applies to you if you work for an employer with 20 or more employees. The term "COBRA" is the working title of a federal law (the Federal Consolidated Omnibus Budget Reconciliation Act of 1985) that provides opportunity for previously insured members who lose their coverage under special circumstances to continue coverage. The coverage provided to you, your spouse and/or dependent children when coverage would otherwise end may be continued at your own expense if you are not covered under another group plan or Medicare.

**IMPORTANT:** It is the employer's responsibility to comply with the COBRA notification requirements. The burden of compliance rests with the employer and the penalties for non-compliance are severe. This includes notification to the participant of the continuation rights within 30 days of the qualifying event. The employee has 60 days from the date of notification or the date of the qualifying event to inform the employer of the decision to continue coverage. The employer will be responsible for premium collection unless an independent administrator administers COBRA.

The following is an overview and is not intended to fully explain COBRA, but is provided as a reference. We urge you to consult your Agent or contact your company's legal counsel for an interpretation of your liability under COBRA.

Every new participating employee and dependent must be given an initial notice of eligibility for COBRA upon entrance into the plan.

### **When does an employee or dependent qualify for COBRA coverage?**

In the case of an eligible employee and his/her eligible dependent(s), qualifying events include:

- Termination of the covered employee's service for any reason other than gross misconduct
- Reduction of hours worked by the covered employee resulting in loss or reduction of benefits
- Retirement
- A retired employee or his/her dependent(s) loses coverage because of Chapter 11 bankruptcy of the employer

In the case of a spouse and other dependent(s), qualifying events include:

- The death of a covered employee
- Divorce or legal separation from a covered employee
- The employee becomes entitled to Medicare benefits
- A covered dependent child no longer qualifies as a dependent under the plan

- Termination of the covered employee for any reason

### **What benefits should you provide under COBRA?**

COBRA participants are entitled to continue the benefits they had on the day they qualified for COBRA.

### **How much does the COBRA participant pay for coverage?**

The COBRA participant will be required to pay the full premium charged for active employees plus an optional 2% for administrative charges. All premiums must be paid to your employer or the COBRA administrator monthly. The first premium payment, including payment for any retroactive charges, must be made within 45 days of the date COBRA is elected.

COBRA covers the participant as a member of your group; therefore premiums must be paid to the plan for the participant.

**It is your responsibility to include payment for COBRA participants with your payment for all plan participants within the normal premium payment time period. If AOI HealthChoice was selected as the COBRA administrator, COBRA participants will be billed directly and may remit premium payments directly to AOI HealthChoice.**

If the employer terminates coverage under AOI HealthChoice and chooses another group health plan, coverage for the employer's current COBRA participants will transfer to the new group health plan.

### **Notification after the Qualifying Event**

The employee or dependent must notify you within 60 days when any qualifying event occurs. Some qualifying events are:

- Death of the employee
- Divorce or legal separation
- Employee becomes eligible for Medicare
- A dependent child ceases to qualify as a dependent under the eligibility guidelines
- Termination of employment for reasons other than gross misconduct

The employer or selected COBRA administrator must send the election form to the prospective COBRA participant within 14 days of receiving written notice of a qualifying event. Failure to give this notice can extend a participant's COBRA election period. The prospective COBRA participant must complete and return the election form to you or the COBRA administrator within 60 days. The COBRA participant has 45 days from his/her election date to pay the initial premium.

### **Maximum Period of Continuation**

COBRA benefits can be continued for 18 months for the following events:

- Termination of the covered employee's services for any reason other than gross misconduct

COBRA benefits can be continued for 36 months for the following events:

- The death of a covered employee
- Divorce or legal separation for a covered employee
- A dependent child no longer qualifies as a dependent under the plan
- The employee becomes eligible for Medicare (coverage applies to dependents)  
Per the amended statute in 1996, Medicare Entitlement Event, if an employee becomes entitled to Medicare, and later terminates employment (within the 18-month period following Medicare entitlement), then the maximum COBRA period for spouses and dependents is extended to 36 months from the date of Medicare entitlement (the employee gets only 18 months of COBRA, measured from termination of employment).

COBRA benefits can be extended to 29 months for the following event:

- The employee is determined to be disabled under the Social Security Act at the time of termination or within 60 days of termination, and notifies you or your plan administrator of the disability determination within 60 days and before the 18-month continuation period ends.

For the period from the 19th to the 29th month, you can charge up to 150% of the applicable premium for disabled participants.

In general, a participant cannot continue COBRA benefits after obtaining new coverage, but a participant does not lose COBRA eligibility until any waiting period or pre-existing condition limitation in the new coverage is satisfied.

COBRA coverage is available only if you are required by Federal law to offer COBRA. You may not voluntarily offer COBRA coverage if you are not required to do so.

## STATE CONTINUATION OF GROUP COVERAGE

To be eligible for continuation coverage, AOI HealthChoice members must have been covered through the employer group coverage for at least three continuous months prior to the date of termination. If eligible, AOI HealthChoice members may choose to extend their coverage up to six months past the date their coverage ended under the following circumstances:

- you, the employer, are not subject to COBRA;
- the member is eligible for Medicare; or
- the member's coverage ends for reasons other than the cancellation of the entire AOI HealthChoice Group Contract.

To continue coverage, the "State Continuation of Coverage Application" (see following page) must be completed by the member and returned to you along with the full monthly payment. Follow your normal premium payment process and include the application when sending your remittance to AOI HealthChoice.

Continued coverage under AOI HealthChoice may end before the six-month period expires. It will end on the last day of the month for which premium has been paid in which the first of the following occurs:

- the next monthly premium payment is not paid when due; or
- the contract with AOI HealthChoice is canceled.



## **PORTABILITY UPON TERMINATION OF COVERAGE**

When an employee's plan coverage ends, he/she may elect COBRA, if eligible, or choose the group portability plan available from his/her health plan.

Proof of good health is not required for the portability plans.

### **Who can apply for the group portability plan?**

- Eligible employees who do not qualify for or choose COBRA.
- Disabled employees who do not select COBRA.
- Dependents who are over the dependent age limit and do not choose COBRA.
- A COBRA participant who is no longer eligible for COBRA.

The employee/dependent may exercise portability rights during the 31-day period following termination of coverage. Portability is not available after that time.

If portability is selected, COBRA continuation coverage is not available.

### **Where can I get more information about portability plans?**

The employee should contact the Member Services Department of their health plan for the cost and benefits of the group portability plan.

## **HOW MEDICARE AFFECTS BENEFITS UNDER THE AOI HEALTHCHOICE PLAN**

AOI HealthChoice members will be considered as one large group. Therefore, in most cases, the selected health plan benefits will be primary over Medicare benefits for active employees 65 and over.

Medicare is a federally sponsored program which provides medical care services in the United States to those age 65 and over, and to individuals under age 65 who meet specific requirements as defined by the Social Security Administration.

### **Individuals under age 65:**

1. If the employee is under age 65 and eligible for Medicare solely due to medical disability and the employee is not actively at work, Medicare will be the primary coverage. The health plan will be secondary and will integrate benefits with Medicare whether or not the employee has enrolled in Medicare.
2. If the employee and the employee's covered spouse are both under age 65 and are both eligible for Medicare due to medical disability, and the employee is not actively at work, Medicare will also be the primary coverage for the employee's spouse. The health plan will be secondary.
3. If the employee or the employee's covered spouse is under age 65 and entitled to Medicare solely because of end stage renal disease; the health plan will provide primary coverage for the first thirty (30) months following the individual's date of eligibility for Medicare. After this thirty (30) month period, Medicare becomes the primary coverage. The health plan becomes secondary and benefits will be coordinated with Medicare.
4. If the employee is actively at work and the employee's spouse is under age 65 and eligible for Medicare solely due to medical disability, the health plan will be the primary coverage. Medicare will be secondary.

### **Individuals age 65 and over:**

1. The health plan will pay benefits for an employee without regard to Medicare if the employee is eligible for Medicare because of age; the employee is eligible for the AOI HealthChoice as an active employee, and the employee elects coverage under one of the health plans of AOI HealthChoice.
2. The health plan will pay benefits for a spouse without regard to Medicare if:
  - a. The employee meets the requirements of Item 1 above; and,
  - b. The spouse is a family member covered under one of the health plans offered by AOI HealthChoice, is not eligible to apply for benefits under

another group health plan as an active employee and is eligible for Medicare because of age.

3. If the spouse is eligible for benefits under another group health plan as an active employee but meets all the other requirements of Item 2 above, the health plan will coordinate benefits under provisions of “Coordination of Benefits.”
4. If the individual described in 1., or 2., above reject coverage under the AOI HealthChoice health plans, AOI HealthChoice has no further responsibility for provision of medical benefits. If the employee rejects coverage under the AOI HealthChoice health plans, dependents of the employee will no longer be eligible for AOI HealthChoice coverage.

When the health plans are secondary to Medicare, the health plan benefits will be reduced so that Medicare benefits and health plan benefits combined equal no more than would have been payable under the health plan in the absence of Medicare. If a person is also eligible to apply for benefits under another group plan as an employee, health plan benefits will first be adjusted for Medicare, and then coordinated with the other group plan according to provisions under Coordination of Benefits.

For types of expenses covered by the health plans but not covered by Medicare, benefits will be determined according to the selected AOI HealthChoice Plan.

Participants eligible for Medicare will be considered enrolled in Medicare Parts A and B whether or not application for Medicare benefits protection has been made and whether or not timely claim has been made.