



# City of Seattle

## Seattle Department of Human Resources

Bobby Humes, Director

October 29, 2019

**These notices are for your information only. No immediate action is required.**

Dear City of Seattle Retiree:

The City of Seattle provides important information/notices annually so that you know your City health care coverage rights and responsibilities. This mailing includes five notices. Not all of the notices may apply to the medical plan and/or coverage you have elected. **File the documents with your other important papers**, so that you can refer to them later.

- 1. Women's 1998 Health and Cancer Rights Act (page 2)**
  - Applies to retirees with medical coverage and to their enrolled spouse/domestic partner or child(ren).
- 2. Grandfathered Plan Notice (page 2)**
  - Applies to retirees with medical coverage and to their enrolled spouse/domestic partner or child(ren).
- 3. Medicare Part D (Creditable Coverage) (pages 3-4)**
  - Applies to members enrolled in a City of Seattle sponsored Medicare plan; confirms your prescription drug coverage is at least as good as Medicare Part D coverage.
- 4. Initial Notice of COBRA Continuation Coverage Rights (pages 5-8)**
  - Applies to retirees with medical/dental coverage if they have enrolled a spouse/domestic partner or child(ren).
- 5. Medicaid and the Children's Health Insurance Program (CHIP) Notification (page 9)**
  - Notification of premium assistance.

If you have questions about these notices or your medical coverage, please contact the appropriate organization listed on the next page.

Seattle Department of Human Resources

Seattle Municipal Tower, 700 5<sup>th</sup> Avenue Suite 5500, PO Box 34028, Seattle, WA 98124-4028  
(206) 684-7999 • TTY:7-1-1 Fax: (206) 684-4157 • Employment Website: [www.seattle.gov/jobs](http://www.seattle.gov/jobs)

An equal employment opportunity employer. Accommodations for people with disabilities provided upon request.



**Contact Information:**

Aetna	877-292-2480	www.AetnaNavigator.com
Aetna Medicare Plans	800-642-0013	www.AetnaNavigator.com
Kaiser Permanente	888-901-4636	www.kp.org/wa
UnitedHealthcare	800-533-2743	www.uhc.com
Retiree Dental	253-862-2122	
Seattle Department of Human Resources Benefits Unit 700 5 <sup>th</sup> Ave., Suite 5500 PO Box 34028 Seattle, WA 98124-4028	206-615-1340	email: Benefits.Unit@seattle.gov

Annual Notices are also available at  
<http://www.seattle.gov/personnel/benefits/library/notices.asp>.

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**Women’s 1998 Health and Cancer Rights Act**

**\*\*Annual Notice\*\***

As required by the Women’s Health and Cancer Rights Act of 1998, the group health plans offered by the City of Seattle provide coverage for the following services to an individual receiving plan benefits in connection with a mastectomy:

- Reconstruction of the breast on which the mastectomy has been performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Prosthesis and physical complications for all stages of a mastectomy, including lymphedemas (swelling associated with the removal of lymph nodes).

A group health plan must determine the manner of coverage in consultation with the attending physician and patient. Coverage for breast reconstruction and related services will be subject to deductibles, copays, and/or coinsurance amounts that are consistent with those that apply to other benefits under the plan. Contact your health plan for more information.

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**Health Care Reform Notice -- Grandfathered Plan Status Disclosure**

The City of Seattle Aetna, UnitedHealthcare, and Kaiser Permanente medical plans are “grandfathered health plans” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits. Questions? Contact the Benefits Unit at (206) 615-1340.

## **Important Notice from the City of Seattle About Your Prescription Drug Coverage and Medicare for Plan Year 2020**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with City of Seattle and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

- 1 Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
- 2 The City of Seattle has determined that the prescription drug coverage offered by the Aetna, Kaiser Permanente, and UnitedHealth Care is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

### **When Can You Join a Medicare Drug Plan?**

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15 – December 7.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

### **What Happens to Your Current Coverage if You Decide to Join a Medicare Drug Plan?**

If you decide to join a Medicare drug plan, your current City of Seattle coverage will be affected. Your current prescription drug coverage is part of a City of Seattle medical plan. You cannot drop your City of Seattle prescription drug coverage unless you also drop your City of Seattle medical coverage. If you enroll in an individual Medicare Part D prescription drug plan and drop your creditable coverage with the City of Seattle, you and your dependents will not be able to return to the City of Seattle plan. If you or your dependents enroll in a different employer active employee or retiree group medical plan with creditable Part D coverage, and drop your creditable coverage with the City of Seattle, you and your dependents will be able to return if you involuntarily lose coverage on the employer group plan. It is important that you compare your current plan, including which drugs are covered, with the coverage and costs of Medicare part D plans.

If you do decide to join a Medicare drug plan and drop your current City of Seattle coverage, be aware that you and your dependents may not be able to get this coverage back.

### **When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?**

You should also know that if you drop or lose your current coverage with City of Seattle and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may

pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

**For More Information About This Notice or Your Current Prescription Drug Coverage...**

Contact your medical plan for further information. **NOTE:** You'll receive this notice each year. You will also receive it before the next period you can join a Medicare drug plan, and if this coverage through City of Seattle changes. You also may request a copy of this notice at any time.

**For More Information About Your Options Under Medicare Prescription Drug Coverage...**

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Creditable Coverage notice.** If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, whether or not you are required to pay a higher premium (a penalty).

Date:	10/29/2019
Name of Entity/Sender:	City of Seattle
Contact-- Position/Office:	Seattle Department of Human Resources/Benefits Unit
Address:	P.O. Box 34028 Seattle, WA 98124-4028
Phone Number:	206-615-1340

**CMS Form 10182-CC**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0990. The time required to complete this information collection is estimated to average 8 hours per response initially, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

## **Initial Notice of COBRA Continuation Coverage Rights**

### **\*\*Continuation Coverage Rights Under COBRA\*\***

#### **Introduction**

It is important that all covered individuals (employee, spouse/domestic partner, and eligible dependent children, if able) take the time to read this notice carefully and be familiar with its contents. If there is a covered dependent not living at your address, please provide written notification to your department's Benefits Representative so a notice can be sent to that dependent as well.

You are receiving this notice because you may have recently become covered under one or more of the following group health plans: City of Seattle Preventive Plan, City of Seattle Traditional Plan, Kaiser Permanente, Delta Dental of Washington, Dental Health Services, VSP, UnitedHealthCare, and the Health Flexible Spending Account (Health FSA). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of group health coverage under a plan under certain circumstances when coverage would otherwise end due to a qualifying event. This notice generally explains COBRA coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it. COBRA (and the description of COBRA coverage contained in this notice) applies only to the group health plans listed above (medical, dental, vision, and the Health FSA) and not to any other benefits offered by the City of Seattle (such as life insurance, long term disability, or accidental death and dismemberment insurance). **Should an actual qualifying event occur in the future, the City of Seattle will send you additional information and an election notice at that time.**

The right to COBRA coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA coverage can become available to you when you would otherwise lose your group health coverage under a plan. It can also become available to your spouse/domestic partner and dependent children, if they are covered under a plan, when they would otherwise lose their group health coverage under the plan. This notice does not fully describe COBRA coverage or other rights under a plan. For additional information about your rights and obligations under a plan and under federal law, you should review the plan booklet or contact the City of Seattle Department of Human Resources Benefits Unit, which is the COBRA Plan Administrator. A plan provides no greater COBRA rights than what COBRA requires – nothing in this notice is intended to expand your rights beyond COBRA's requirements.

#### **What is COBRA Continuation Coverage?**

COBRA continuation coverage is a continuation of plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed in this notice. After a qualifying event occurs and any required notice of that event is properly provided to your department's Benefits Representative, COBRA coverage must be offered to each person losing plan coverage who is a "qualified beneficiary." You, your spouse/domestic partner, and your dependent children could become qualified beneficiaries and would be entitled to elect COBRA if coverage under a plan is lost because of the qualifying event. Under a plan, qualified beneficiaries who elect COBRA coverage must pay for COBRA coverage.

#### **Who is entitled to elect COBRA Continuation Coverage?**

If you are an employee, you will be entitled to elect COBRA coverage if you lose your group health coverage under a plan because either one of the following qualifying events happens:

- your hours of employment are reduced, or
- your employment ends for any reason.

If you are the spouse/domestic partner, you will be entitled to elect COBRA coverage if you lose your group health coverage under a plan because any of the following qualifying events happens:

- your spouse/domestic partner dies;
- your spouse's/domestic partner's hours of employment are reduced;
- your spouse's/domestic partner's employment ends for any reason other than his or her gross misconduct; or
- you become divorced or legally separated from your spouse, or you terminate your domestic partnership. Also, if your spouse (the employee) reduces or eliminates your group health coverage in anticipation of a divorce or legal separation, and a divorce or legal separation occurs within three months of the reduction or elimination of coverage, then the divorce or legal separation will be considered a qualifying event for you even though your coverage was reduced or eliminated before the divorce or legal separation.

A person enrolled as the employee's dependent child will be entitled to elect COBRA if he or she loses group health coverage under a plan because any of the following qualifying events happen:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The child stops being eligible for coverage under a plan as a "dependent child."

### **When is COBRA Continuation Coverage Available?**

When the qualifying event is the end of employment, reduction of hours of employment, or death of the employee, a COBRA election notice will be made available to qualified beneficiaries. You do not need to notify the Benefits Representative in your department of the occurrence of any of these three qualifying events. However, notice must be provided to your department's Benefits Representative for other qualifying events, as explained below in the section entitled "You Must Give Notice of Some Qualifying Events."

### **You Must Give Notice of Some Qualifying Events**

For the other qualifying events (divorce or legal separation of the employee and spouse, termination of domestic partnership, or a dependent child's loss of eligibility for coverage as a dependent child), a COBRA election notice will be available to you only if you complete and submit a *Health Care Benefits Change Form* to the Benefits Representative for your department within 60 days after the date on which the qualified beneficiary loses or would lose coverage under the terms of the plan as a result of the qualifying event. If this procedure is not followed during the 60-day notice period, YOU WILL LOSE YOUR RIGHT TO ELECT COBRA COVERAGE. (A *Health Care Benefits Change Form* is available from your department's Benefits Representative.)

### **Electing COBRA Coverage**

Each qualified beneficiary will have an independent right to elect COBRA coverage. Covered employees and spouses/domestic partners (if the spouse/domestic partner is a qualified beneficiary) may elect COBRA coverage on behalf of all of the qualified beneficiaries and parents may elect COBRA coverage on behalf of their children. Any qualified beneficiary for whom COBRA coverage is not elected within the 60-day election period specified in the COBRA election notice WILL LOSE HIS OR HER RIGHT TO ELECT COBRA COVERAGE.

Qualified beneficiaries who are entitled to elect COBRA may do so even if they have other group health plan coverage or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a qualified beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare benefits or becomes covered under other group health plan coverage (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied).

### **How Long Does COBRA Coverage Last?**

COBRA coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the covered employee's divorce, legal separation or termination of domestic partnership; or a dependent child's losing eligibility as a dependent child, COBRA coverage can last for up to a total of 36 months. However, COBRA coverage under the Health FSA component can last only until the end of the year in which the qualifying event occurred. (See the paragraph below entitled "Health FSA Component.")

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months BEFORE the qualifying event, COBRA coverage for qualified beneficiaries (other than the employee) who lose coverage as a result of the qualifying event can last up to 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA coverage for his spouse/domestic partner and children who lost coverage as a result of his termination can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). However, COBRA coverage under the Health FSA component can last only until the end of the year in which the qualifying event occurred. (See the paragraph below entitled "Health FSA Component.")

Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA coverage generally can last for only up to a total of 18 months. However, COBRA coverage under the Health FSA component can last only until the end of the year in which the qualifying event occurred. (See the paragraph below entitled "Health FSA Component.")

### **Extension of Maximum Coverage Period**

If the qualifying event that resulted in your COBRA election was the covered employee's termination of employment or reduction of hours, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify the COBRA Plan Administrator of a disability or a second qualifying event in order to extend the period of COBRA coverage. Failure to provide notice of a disability or second qualifying event will eliminate the right to extend the period of COBRA coverage. (The period of COBRA coverage under the Health FSA cannot be extended under any circumstances.)

#### ***Disability extension of 18-month period of continuation coverage***

If a qualified beneficiary is determined by the Social Security Administration to be disabled and you notify the COBRA Plan Administrator in a timely fashion, all of the qualified beneficiaries in your family may be entitled to receive up to an additional 11 months of COBRA coverage, for a total maximum of 29 months. This extension is available only for qualified beneficiaries who are receiving COBRA coverage because of a qualifying event that was the covered employee's termination of employment or reduction of hours. The disability must have started at some time before the 61<sup>st</sup> day after the covered employee's termination of employment or reduction of hours and

must last at least until the end of the period of COBRA coverage that would be available without the disability extension (generally 18 months, as described above.)

The disability extension is available only if you complete and submit a *Notice of Disability* and a copy of the Social Security Administration's determination of disability to the COBRA Plan Administrator: (a) during the 18 months after the covered employee's termination of employment or reduction of hours, and (b) within 60 days after the latest of:

- the date of the Social Security Administration's disability determination;
- the date on which the qualified beneficiary loses (or would lose) coverage under the terms of a plan as a result of the covered employee's termination of employment or reduction of hours.

If these procedures are not followed or if the notice is not provided to the COBRA Plan Administrator during the 60-day notice period and within 18 months after the covered employee's termination of employment or reduction of hours, THEN THERE WILL BE NO DISABILITY EXTENSION OF COBRA COVERAGE. You can obtain a copy of a *Notice of Disability* from the COBRA Plan Administrator.

### ***Second qualifying event extension of COBRA coverage***

If your family experiences another qualifying event while receiving COBRA coverage because of the covered employee's termination of employment or reduction of hours (including COBRA coverage during a disability extension period as described above), the spouse/domestic partner and dependent children receiving COBRA coverage can get up to 18 additional months of COBRA coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the COBRA Plan Administrator. This extension may be available to the spouse/domestic partner and any dependent children receiving COBRA coverage if the employee or former employee dies; gets divorced or legally separated, or terminates a domestic partnership; or if the dependent child stops being eligible under a plan as a dependent child, but only if the event would have caused the spouse/domestic partner or dependent child to lose coverage under a plan had the first qualifying event not occurred. (This extension is not available to the spouse/domestic partner and any dependent children under a plan when a covered employee becomes entitled to Medicare after electing COBRA coverage.)

This extension due to a second qualifying event is available only if you notify the COBRA Plan Administrator by completing and submitting a *Notice of Second Qualifying Event* within 60 days after the date of the second qualifying event. You can obtain a copy of a *Notice of Second Qualifying Event* from the COBRA Plan Administrator. If these procedures are not followed or if the notice is not provided in writing to the COBRA Plan Administrator during the 60-day notice period, THEN THERE WILL BE NO EXTENSION OF COBRA COVERAGE DUE TO A SECOND QUALIFYING EVENT.

## **Health Care FSA Component**

COBRA coverage under the Health Care FSA will be offered to qualified beneficiaries. Health Care FSA COBRA coverage will consist of the Health Care FSA COBRA coverage that will be charged for the remainder of the plan year. Health Care FSA COBRA coverage will consist of the Health FSA coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by expenses reimbursed up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and Health Care FSA COBRA coverage will terminate at the end of the plan year.

## **More Information About Individuals Who May Be Qualified Beneficiaries**

- Children born to or placed for adoption with the covered employee during COBRA coverage period  
A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected COBRA coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in a plan, whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in a plan, the child must satisfy the otherwise applicable plan eligibility requirements (for example, regarding age).
- Alternate recipients under QMCSOs  
A child of the covered employee who is receiving benefits under a plan pursuant to a qualified medical child support order (QMCSO) received by the COBRA Plan Administrator during the covered employee's period of employment with the City of Seattle is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

## **Keep Your Plan Informed of Address Changes**

In order to protect your family's rights, you should keep your department's Benefits Representative informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your department's Benefits Representative or COBRA Plan Administrator.

## **If You Have Questions**

Questions concerning your Plan or COBRA coverage should be addressed to the:

COBRA Plan Administrator  
City of Seattle Department of Human Resources  
Benefits Unit  
700 5<sup>th</sup> Ave., Suite 5500  
PO Box 34028  
Seattle, WA 98124-4028

**Phone:** 206-615-1340

**Medicaid and the Children’s Health Insurance Program (CHIP)  
Offer Free or Low-Cost Health Coverage to Children and Families**

If you are eligible for health coverage from your employer, but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, you can contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or **www.insurekidsnow.gov** to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer’s health plan is required to permit you and your dependents to enroll in the plan – as long as you and your dependents are eligible, but not already enrolled in the employer’s plan. This is called a “special enrollment” opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance.**

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You may be eligible for assistance paying your employer health plan premiums. Contact the Medicaid office for Washington for further information on eligibility.

**Washington – Medicaid**

Website: <https://www.hca.wa.gov/health-care-services-supports/apple-health-medicaid-coverage>

Phone: 1-800-562-3022 ext. 15473

For more information on special enrollment rights, you can contact either:

U.S. Department of Labor  
Employee Benefits Security  
Administration Services  
[www.dol.gov/ebsa](http://www.dol.gov/ebsa)  
1-866-444-EBSA Ext. 3272

U.S. Department of Health and  
Human Services  
Centers for Medicare and Medicaid  
[www.cms.hhs.gov](http://www.cms.hhs.gov)  
1-877-267-2323 Ext. 61565