

# **SANTA MONICA UNITE HERE HEALTH BENEFIT TRUST FUND**

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**ATTENTION!                      IMPORTANT!                      PLEASE READ!**

January 2021

**To:** All Participants in the Santa Monica UNITE HERE Health Benefit Trust Fund  
**From:** Administrative Office  
**Re:** Termination of Eligibility Extensions and Changes to Your Fund Benefits  
Summary of Material Modifications (SMM) - Effective March 1, 2021

Dear Participant:

The Board of Trustees of the Santa Monica UNITE HERE Health Benefit Trust Fund has made the following changes to your health plan effective March 1, 2021.

## **I. NEW MEDICAL PLAN OPTION – MARTIN LUTHER KING COMMUNITY HEALTHCARE PLAN**

The Board of Trustees of the Santa Monica UNITE HERE Health Benefit Fund is delighted to inform you that effective March 1, 2021, the Fund will offer all eligible participants a new medical plan, the Martin Luther King Community Healthcare Plan. The Martin Luther King Community Healthcare Plan has been developed through a partnership with Martin Luther King, Jr. Community Hospital and Martin Luther King Medical Group to provide you and your family with high quality health care. Located in South Los Angeles, the health system includes a state-of-the-art hospital and a medical group with 3 outpatient medical offices. They specialize in primary and specialty care, disease management, and preventive services.

The Martin Luther King Community Healthcare Plan will have very low copayments and low out of pocket costs for participants. The enclosed Summary of Benefits and Coverage (SBC) details the benefits and copayments of the plan.

If you would like to enroll in the Martin Luther King Community Healthcare Plan, please complete the enrollment form enclosed with this notice and return it to the Administrative Office. Contact the Administrative Office at (562) 463-5075 or (866) 345-5189 if you need assistance.]

## II. ALL COVID-19 ELIGIBILITY EXTENSIONS END FEBRUARY 28, 2021

For coverage months of June 2020 through February 2021, the Fund has provided extended eligibility to participants affected by layoff, furlough, or reduction of hours attributable to the COVID-19 pandemic, as well as to participants who, due to the COVID-19 pandemic, were not able to work sufficient Hours to reinstate eligibility following an extension of eligibility based on disability credit.

**All extensions of eligibility resulting from the COVID-19 pandemic will end on February 28, 2021.** This means that, unless you worked sufficient Hours to earn eligibility for the month of March 2021,<sup>1</sup> your coverage under the Fund will terminate on February 28, 2021.

Most participants whose coverage ends on February 28, 2021, due to the end of the COVID-19 eligibility extensions, will qualify for accelerated eligibility if they again work sufficient Hours to earn eligibility (generally a minimum of 60 or 80 hours in a month, depending on your classification) before December 31, 2021.

Please read the rest of this notice for more information about how you earn eligibility and your coverage options after February 28, 2021.

## III. HEALTH COVERAGE OPTIONS AFTER YOUR FUND COVERAGE ENDS

### ***3-Month COBRA Subsidy Option for March 2021 – May 2021***

If your Fund coverage terminates due to the end of the COVID-19 eligibility extensions (or due to a different qualifying event causing a loss of coverage on February 28, 2021, March 31, 2021, or April 30, 2021), you may elect COBRA continuation coverage for yourself and/or your enrolled dependents. For a limited time, the Board of Trustees is offering up to 3 months of COBRA coverage at a subsidized premium rate for the months of March 2021, April 2021, and May 2021. This means that you will be able to elect COBRA coverage, including a continuation of your dental and vision coverage, to cover yourself and your enrolled dependents for as little as \$50.00 or \$100.00 per month for up to 3 months. After the COBRA subsidy ends, you will have to pay the full COBRA premium to continue your COBRA coverage.

Your options for subsidized COBRA are as follows:

**Martin Luther King Community Healthcare Plan** - All participants can elect COBRA coverage under the Martin Luther King Community Healthcare Plan for a \$50 per month premium for the months of March through May 2021 (payable monthly or in one installment of \$150). The Martin Luther King Community Healthcare Plan providers are currently located in the South Los Angeles area.

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<sup>1</sup>Generally, you must have at least 60 Hours Worked in December 2020 to earn eligibility for March 2021, unless you are in the Hotel Plan and are not a banquet server, in which case you must have 80 Hours Worked.

**Kaiser HMO Plan** - If you are currently in the Fund's Kaiser plan, you can elect COBRA coverage under the Kaiser plan for a \$100 per month premium for the months of March through May 2021 (payable monthly or in one installment of \$300). Note, however, that you can elect COBRA coverage under the new Martin Luther King Community Healthcare Plan for \$50 per month for the months of March through May 2021.

**Health Net Plan** - If you are currently in the Fund's Health Net plan and you do not live within 15 driving miles of the Martin Luther King, Jr. Community Hospital ("MLK Hospital"), you can elect subsidized COBRA coverage under the Health Net plan for a \$100 per month premium for the months of March through May 2021 (payable monthly or in one installment of \$300). If you live within 15 driving miles of the MLK Hospital, the subsidized COBRA premium for Health Net will not be available, and you will have to pay the full COBRA premium for COBRA coverage under the Health Net Plan (note, however, that you can elect COBRA coverage under the new Martin Luther King Community Healthcare Plan for \$50 per month for the months of March through May 2021).

This \$50 or \$100 subsidized monthly COBRA premium applies whether you elect COBRA coverage for one person, two people, or three or more people.

If you wish to elect COBRA coverage, you must complete and return a COBRA Election form that will be mailed to you or contact the Fund Office at (562) 463-5075 or (866) 345-5189 to request a form. If you are electing COBRA coverage under the MLK Plan, you will also have to complete a separate enrollment form.

Once the COBRA subsidy ends, you will have to pay the full COBRA premium amount if you wish to continue your COBRA coverage.

### ***Coverage Options After COBRA Subsidy Ends***

Some of the alternative options described below may not be available to you if you elect COBRA and then drop it after the 3-month COBRA subsidy. For example, if you elect COBRA, you may have to exhaust your entire 18-, 29-, or 36- month COBRA period before being eligible for certain coverage options, such as special enrollment in Covered California or in another plan. You may, however, be able to enroll in Medi-Cal after the 3-month subsidy, if you qualify.

### ***Alternatives to COBRA Coverage.***

Instead of enrolling in COBRA, there may be other affordable or no-cost coverage options for you and your family, as described below. Keep in mind that most of these options have strict time limits as to when you can enroll following a loss of coverage or a termination of employment. *(Please note that this list describes some alternatives to COBRA coverage, but it does not include all the health insurance options that may be available to you).*

- **Covered California (Health Insurance Marketplace):** You can purchase health insurance coverage through Covered California within 60 days of losing coverage under the Fund. When you apply, you will learn whether you qualify (based on your income) for a tax credit that lowers your monthly premiums and cost-sharing amounts (such as deductibles, coinsurance, and copayments), as well as whether you qualify for Medi-Cal. For more information, visit [www.coveredca.com](http://www.coveredca.com).

- **Medi-Cal:** Medi-Cal is California's Medicaid program. It is a public health insurance program that offers free or low-cost health coverage to low-income California residents who meet eligibility requirements. Medi-Cal provides comprehensive health coverage, just like the coverage offered through Covered California. There is no deadline to enroll in Medi-Cal; you can apply at any time during the year. For more information, visit <https://www.dhcs.ca.gov/services/medi-cal/Pages/default.aspx>.
- **Coverage under another group health plan (such as a spouse's plan):** You may qualify for special enrollment in another group health plan for which you are eligible (such as a spouse's plan). Generally, you must request enrollment within 30 days of losing your Fund coverage. NOTE, if you elect COBRA coverage, you generally have to exhaust your entire 18-, 29-, or 36- month COBRA period before being allowed special enrollment in a spouse's plan.
- **Medicare:** If you are eligible, you can enroll in Medicare within an 8-month special enrollment period that begins **on the earlier of** (1) the month after your employment ends or (2) the month after your Fund coverage ends. For more information, visit <https://www.medicare.gov/medicare-and-you>.

You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

#### IV. ACCELERATED ELIGIBILITY FOR PARTICIPANTS WHO WORK REQUIRED HOURS IN 2021.

Under existing Fund rules, participants whose coverage ends on February 28, 2021, would have to re-establish the initial eligibility rule applicable to new hires if they have not worked sufficient Hours to maintain eligibility in a calendar month between November 1, 2020 and February 28, 2021.

However, the Board of Trustees of the Fund has adopted a special accelerated initial eligibility rule for Participants previously on the Fund's COVID eligibility extension.

Under this accelerated initial eligibility rule, if you were on the Fund's COVID eligibility extension, and you work required Hours (generally 60 Hours, but 80 Hours for Hotel Plan participants other than banquet servers) in a calendar month before December 31, 2021, you will be eligible for coverage starting on the first day of the third calendar month after the month in which you worked the required Hours. ***However, coverage for you and your Dependents will not be effective until you enroll. You must enroll within 90 days after your accelerated eligibility date. Otherwise, you will have to wait until the next open enrollment.***

The effective date of your coverage will be determined in accordance with the rules described under "INITIAL ENROLLMENT" on page 3 of your Summary Plan Description.

This accelerated eligibility rule allows participants to earn eligibility two to four months earlier than under the initial eligibility rule applicable to new hires, and it will apply for Hours Worked through December 31, 2021.

Once eligibility is re-established, Participants currently in the Fund's Health Net Plan will be eligible for coverage only under the Fund's new Martin Luther King Community Healthcare Plan, if they live within the Martin Luther King Community Healthcare Plan service area (i.e., within 15 driving miles of the MLK Hospital). See "Special Rule For Participants Currently Enrolled In The Health Net of California Plan" below for more information.

**Example:** Maria, a participant enrolled in the Plan, was on COVID eligibility extension from May 2020 through February 2021. She continues to be out of work until April 2021, then works at least 60 Hours in April. Result: Maria will be eligible for benefits in July 2021, the third month following April, but she must enroll in order to have coverage.

## **V. INITIAL ELIGIBILITY & NEW WAITING PERIOD FOR HEALTH NET AND KAISER**

Effective March 1, 2021, newly eligible participants will be required to be covered under the new Martin Luther King Community Healthcare Plan for at least 12 consecutive months (or the Health Net Plan, if the Participant does not live in the Martin Luther King Community Healthcare Plan service area, which is within 15 driving miles of the MLK Hospital) before they can elect coverage under one of the Fund's other plans. Following the end of 12 consecutive months enrolled in the Martin Luther King Community Healthcare Plan, the eligible Participant may switch to the Health Net of California Plan or the Kaiser HMO Plan during the Fund's next annual Open Enrollment period if the Participant lives or works within 30 miles of a Health Net or Kaiser facility. (However, in order to be eligible to enroll in the Kaiser HMO Plan, the Participant must work for an Employer that contributes the minimum amount per hour required for Kaiser coverage).

## **VI. SPECIAL RULE FOR PARTICIPANTS CURRENTLY ENROLLED IN THE HEALTH NET OF CALIFORNIA PLAN**

Effective March 1, 2021, participants previously enrolled in the Health Net Plan on the COVID-19 eligibility extension who return to work and become eligible for coverage will initially be able to enroll only in the new Martin Luther King Community Healthcare Plan, if they live within the service area of the Martin Luther King Community Healthcare Plan (i.e., within 15 driving miles of the MLK Hospital). After 12 consecutive months enrolled in the Martin Luther King Community Healthcare Plan, the participant may switch to the Health Net Plan or the Kaiser HMO Plan during the Fund's next annual Open Enrollment period. (In order to be eligible to enroll in the Kaiser HMO Plan, the Participant must work for an Employer that contributes the minimum amount per hour required for Kaiser coverage).

Participants who live more than 15 driving miles from the MLK Hospital will be required to initially enroll in the Health Net Plan. After 12 consecutive months enrolled in the Health Net Plan, the participant may switch to the Kaiser HMO Plan during the Fund's next annual Open Enrollment period, if the person is otherwise eligible to enroll in Kaiser.

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*Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify your eligibility for benefits, or if you have any questions regarding this notice or your benefits,*

please call the **Administrative Office** at **(562) 463-5075** or **(866) 345-5189** from 8:30 a.m. to 4:30 p.m., Monday through Friday. The Fund's web site can be found at [www.santamonicauniteherefunds.org](http://www.santamonicauniteherefunds.org).

*In accordance with ERISA reporting requirements, this notice serves as a Summary of Material Modifications ("SMM") to the Santa Monica UNITE HERE Health Benefit Trust Fund Summary Plan Description & Plan Document (as in effect on January 1, 2020). Please keep this SMM with your SPD and other plan materials for future reference. If you have any questions, please contact the Administrative Office.*