January 28, 2020

FOR EMPLOYERS ONLY

TO: Departmental Human Resource Officers
FROM: Derek M. Mizuno, Administrator
SUBJECT: EUTF Enrollment Tips for State Employers

From time to time, EUTF will be sharing enrollment tips to assist employers and/or employees. Topics in this memo include: Assisting new hire/newly eligible employees who are enrolled in non-EUTF coverage, Common Qualifying Event – Authorized Leave Without Pay (LWOP), Premium Conversion Plan (PCP) Enrollment, 2020 Pre-Retirement Health Benefits Workshops, and a Change of Address reminder.

New Hire/Newly Eligible Employees Enrolled in Non-EUTF Coverage

All new hire/newly eligible employees should be provided with the EUTF New Hire Enrollment Guide, including the EUTF Reference Guide for Active Employees and EC-1 Enrollment Form (available on EUTF website: eutf.hawaii.gov). Employees who are enrolled in non-EUTF health benefits coverage at the start of their employment have the following enrollment options:

1. Employees may enroll in the EUTF HMA supplemental medical and prescription drug plan and select when they want to start coverage:
   - Option #1 – coverage starts on date of hire/newly eligible.
   - Option #2 – coverage starts on 1st day of the first pay period following the date of hire.
   - Option #3 – coverage starts on 1st day of the 2nd pay period following the date of hire.

Only employees with non-EUTF coverage (excluding Medicaid and Medicare) are eligible for this plan that generally pay members’ eligible medical and prescription drug copayments and coinsurance subject to annual maximums.

2. Employees may enroll in all other EUTF health benefit plans and select their coverage start date. The coverage start date is a significant factor to avoid unnecessary coverage. For example, if an employee starts on February 1, but has non-EUTF health benefits coverage that does not terminate until February 28, employee can select option #3 with EUTF coverage beginning on March 1.

EUTF’s Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.
3. Employees may waive all or some of the EUTF health benefit plans and are still eligible to enroll in EUTF health benefit plans if they lose their non-EUTF coverage. Employees should submit an EC-1 form within 45 days (60 days if losing coverage from a Medicaid plan) of the loss of coverage to enroll in EUTF health benefit plans. Employees can also enroll in EUTF health benefit plans during open enrollment. In addition, employees should enroll in the Employer paid life insurance plan regardless of whether they decide to waive their enrollment in the health benefit plans.

Please note that these options, except the EUTF HMA supplemental medical and prescription drug plan, also apply to all employees enrolled in Med-Quest. New employment does not always result in a loss of eligibility for Med-Quest coverage. Employees may still qualify for Medicaid coverage or be enrolled in a ‘transitional plan’. Employees can choose to not enroll in EUTF health benefit plans upon hire or new eligibility and later enroll in EUTF health benefit plans within 60 days of the termination of their Med-Quest plan.

An employee who enrolls in EUTF coverage and later learns that they are still eligible and enrolled in a non-EUTF health benefits plan, including Med-Quest, will not be able to waive EUTF coverage unless they experience a qualifying event and may have to wait until the next Open Enrollment period.

Common Qualifying Event – Authorized Leave Without Pay

Below is a common qualifying event that allows waiver of plans. However, for changes to be effective, employees must complete an EC-1/EC-1H Enrollment Form. For a complete listing of qualifying events, visit the EUTF website at eutf.hawaii.gov.

- When on an authorized leave of absence without pay (LWOP) of more than 30 days an employee may waive plans by submitting an EC-1/EC-1H Enrollment Form to their employer or EUTF designee within 45 days from the beginning of the LWOP. To re-enroll into the same EUTF plans, employees must submit an EC-1/EC-1H Enrollment Form to their employer or EUTF designee within 45 days of the employee’s return to work.
  - If employees wish to maintain enrollment in the EUTF plans while on LWOP, they must continue making payments of their share of premiums directly to the EUTF (this applies to all plans you are enrolled in).
  - To determine the employee’s share of premiums, employees should refer to their paystub or, they can contact the EUTF at 808-586-7390 or toll-free at 1-800-295-0089. Payment is due on the normal pay day (5th or 20th). Please contact the EUTF at 808-586-7390 or toll-free at 1-800-295-0089, press 3 for Accounting; or visit the EUTF website at eutf.hawaii.gov for more information on payment options. EUTF is unable to deduct premiums from temporary disability insurance (TDI) and workers’ compensation pay.
  - Employees’ failure to promptly pay premiums may result in cancellation of health plans. Employees whose health plans are canceled because of non-payment of premiums are not be eligible for COBRA Continuation Coverage and will not
have an opportunity to re-enroll in EUTF coverage until the next Open Enrollment period.

**PCP Enrollment for State Employees**

Premium Conversion Plan (PCP) is a voluntary benefit plan, administered by the State Department of Human Resources Development (DHRD), that allows pretax payments of EUTF health benefit plan premiums and is offered pursuant to Section 125 of the Internal Revenue Code of 1986 ("Code") as amended, relating to "cafeteria plans". For more information, go to the DHRD website at http://dhrd.hawaii.gov.

To maintain a qualified status under the Code, the State must administer the plan in strict compliance with applicable rules and regulations, such as those dealing with enrollments and cancellations. By electing to participate in the PCP, please note that:

1. Authorization will automatically continue year-to-year for the duration of the plan until the employee makes a change or cancels their participation in PCP during the Open Enrollment period or as provided under number 2 below.

2. If an employee has an allowable IRS-qualifying change in status event (e.g., marriage, birth or adoption of children, or divorce), they must complete/file the PCP Election Change Form (PCP-2) within 90 calendar days of the date of the qualified status change event, to change or cancel the reduction in pay (otherwise, changes are only allowed during the Open Enrollment period). Please note that employees must notify the EUTF within 45 days of the event in order to make the change in coverage.

3. Allowable changes/cancellations, except for enrolling newborn/newly adopted children, shall become effective as soon as administratively possible, on a **prospective** basis, after the employee files the required PCP-2 form (e.g. the beginning of the pay period following receipt of your PCP-2 form). To avoid the risk of forfeiting money, the employee should file the form as soon as possible. Changes in pre-tax payroll deductions are always done after receipt of the PCP-2 form; never retroactively. Special enrollment of a newborn/newly adopted child is retroactive to the date of the birth/adoption/placement for adoption, provided the PCP-2 form is filed within 90 calendar days of the birth/adoption.

4. The employees’ PCP payroll deduction, in the absence of a PCP allowable IRS-qualifying change in status, cannot be changed for the current plan year.

5. If an employee changes/cancels their health insurance plan coverage, but their PCP change/cancellation is not allowed, their PCP payroll deduction will remain in effect through the end of the plan year and the payments will be forfeited until PCP change/cancellation forms are filed and approved during the next Open Enrollment period.

6. Once an employee makes a PCP election (e.g., enroll or waive coverage), it is not permissible to make any changes to that election until the next Open Enrollment period or unless an IRS-qualifying change in status event occurs.
EUTF Pre-Retirement Health Benefits Workshops

Whether you plan to retire in a few months or a few years from now, sign-up for our pre-retirement health benefits workshop and learn about EUTF retiree health benefits. Topics covered will include:

- Dependent eligibility
- Health plan options
- Medicare
- Differences between active employee and retiree plans

Schedule of EUTF Pre-Retirement Health Benefits Workshops

<table>
<thead>
<tr>
<th>Date</th>
<th>Island</th>
<th>Location</th>
<th>Time</th>
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<tbody>
<tr>
<td>2/20/2020</td>
<td>Oahu</td>
<td>EUTF Office</td>
<td>11:00 – 12:00 pm, 12:30 – 1:30 pm</td>
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<tr>
<td>2/26/2020</td>
<td>All</td>
<td>Webinar*</td>
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<td>3/4/2020</td>
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<td>EUTF Office</td>
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<tr>
<td>3/5/2020</td>
<td>All</td>
<td>Webinar*</td>
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<tr>
<td>3/23/2020</td>
<td>Kauai</td>
<td>Kauai Community College OCET Room 106 C/D 3-1901 Kaumualii Highway, Lihue, HI 96766</td>
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<tr>
<td>3/24/2020</td>
<td>Oahu</td>
<td>Aloha Stadium Hospitality Room 99-500 Salt Lake Boulevard, Honolulu, HI 96818</td>
<td>11:30 am - 12:30 pm</td>
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<tr>
<td>3/25/2020</td>
<td>Hawaii</td>
<td>Aunty Sally Kaleohano’s Luau Hale 799 Pilina Street, Hilo, HI 96720</td>
<td>2:30 – 3:30 pm</td>
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<tr>
<td>3/30/2020</td>
<td>Maui</td>
<td>UH Maui College Ka’alike Building Room A &amp; B 310 W. Kahumanu Avenue, Kahului, HI 96732</td>
<td>11:30 am - 12:30 pm</td>
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To register, email eutf.outreach@hawaii.gov. Space is limited and on a first come, first served basis. Attendees must coordinate to attend the workshop on their own time.

*To access the webinar, go to eutf.hawaii.gov and select “Learning Center” in the menu bar. Click on “Webinars” and select the desired webinar.

Change of Address

If you recently moved or changed addresses, now is a good time to notify the EUTF. Go to eutf.hawaii.gov, select Forms, Active Employees, and select the “Address Change Form for Employees”. Complete and submit the form to your employer or EUTF designee. You may also contact the EUTF at 808-586-7390 or toll free at 1-800-295-0089 to request that an “Active Employee Address Change Form” be mailed to you.