



an EmblemHealth company

<Contact Name>
<Group Name>
<Street Address>
<City,> <State> <Zip>

RE: ARRA / New York State Continuation Subsidy Administration Procedures

Dear Benefits Administrator:

New York State law requires you to give employees and their families the opportunity to continue their coverage in the event of a loss of eligibility for group health coverage. In addition, the new American Recovery and Reinvestment Act (“ARRA”) law provides certain individuals and dependents with the opportunity to receive up to a 65% reduction in the premiums for this coverage beginning February 17, 2009. The ARRA premium reduction is available to eligible former employees and dependents that are currently on New York State Continuation of Coverage and to eligible employees and their dependents that lose coverage under your group health plan between February 17, 2009 and December 31, 2009.

To be eligible for up to a 65% reduction of premium, subscribers or their dependents must meet all of the following conditions:

- Coverage lapsed due to an involuntary termination of employment between September 1, 2008 and December 31, 2009;
- Ineligible for Medicare or any other group health plan coverage.

This letter informs you of the steps that you must take in order to facilitate New York State continuation of coverage for employees and/or their dependents who lost coverage under your <Group Name> group health plan or who lose coverage under your <Group Name> group health plan in the future. This letter also informs you of the steps that you must take and the documentation that you must submit to us in order for us to determine whether your former employee(s) and/or his or her dependents are eligible for a reduction of continuation premiums under ARRA.

Federal guidance temporarily requires the insurance carrier to send notice and guidance of potential ARRA eligibility to former employees of groups with 19 or less employees. It is our responsibility to administer the 65% federal subsidy of the state continuation premium. The member will be required to pay the remaining 35% of the premium. As the insurance carrier, we will seek reimbursement for the 65% subsidy from the U.S. Department of Treasury.

There will be two processes for administering ARRA – one for eligible individuals currently receiving COBRA and another one for individuals who been recently terminated. Below is an outline of the two processes.

HIP HEALTH PLAN OF NEW YORK 55 WATER STREET, NEW YORK, NY 10041-8190

HIP Health Plan of New York (HIP) is an EmblemHealth company.

Individuals Currently on New York State Continuation of Coverage

- All subscribers who elected New York State Continuation of Coverage between September 1, 2008 and February 17, 2009 and are currently still covered under it will receive a letter from HIP Health Plan informing them about the ARRA subsidy and how to apply for it. (the letter and form are attached)
- The subscriber and/or dependents will be directed to complete the ARRA subsidy application if they believe they are eligible and return it to your organization.
- Your organization will bear responsibility for vetting the accuracy of the completed paperwork and completing the attached Employer Attestation form for each member who submits an ARRA application to you.
- All paperwork, including the Employer Attestation forms, must be forwarded to the following address for processing and enrollment where applicable:

HIP Health Plan
P.O. Box 2806
New York, New York 10116-2806

- Once HIP Health Plan receives the documentation from your organization, we will determine based on that information whether the applicant is eligible. If the applicant is determined to be eligible, we will enroll them in the ARRA subsidy program and administer the subsidy.

Individuals Who Were Recently Terminated or Who Are Terminated from Your Group Health Plan in the Future and are Eligible for New York State Continuation of Coverage

- Upon notification of employee termination, we will provide the attached letter and New York State Continuation Coverage Election Notice package to the affected individual;
- The subscriber will be directed to complete all paperwork and return it to your organization. Note that the continuation of coverage election form must be returned to you by the applicant within 60 days of the date of their receiving their notification letter.

If the individual applies for continuation of coverage, you are responsible to enroll the individual in your plan as a continuation beneficiary and terminate the individual from the plan at the end of the 18 month, or other applicable continuation period.

- If the individual is also applying for the ARRA subsidy, your organization is responsible to verify the accuracy of the completed paperwork and complete the attached Employer Attestation form for each member who submits an ARRA application to you.

- Copies of the ARRA subsidy application and the completed Employer Attestation form, must be forwarded to the following address for processing and enrollment where applicable within 15 days of your receipt of the election form and if applicable, ARRA application form:

HIP Health Plan
P.O. Box 2806
New York, New York 10116-2806

- Once HIP Health Plan receives the documentation from your organization, we will determine based on that information whether the applicant is eligible. If the applicant is determined to be eligible, we will enroll them in the ARRA subsidy program and administer the subsidy.

We appreciate your assistance with this process. If you have any questions, please contact HIP Health Plan at **(888) 447-7105**.

Sincerely,
HIP Health Plan