KINGSTON TRUST FUND

307 Wall St., 3rd Floor, Suite 6, PO Box 4461, Kingston, NY 12402
Phone:(845) 338-5422, Fax (845)338-0391, Email:kathy@kingstontrustfund.com

---

President Obama has initiated a program that provides for electronic filing of all medical records. This includes enrollment forms, status change forms, the plan book, claims, etc. As a result, all members who have NHAI medical and/or dental coverage must fill out an electronic enrollment form.

ELECTRONIC ENROLLMENT

-ACTIVE MEMBERS: The electronic enrollment form is available
&n bsp; at:www.NHAI.net. Fill it out and submit by April 30, 2009.
**RETIREES*: The electronic enrollment form is available at:www.NHAI.net. Fill it out and submit OR, for those without computer access, a copy of the electronic enrollment form is included with this issue of The Torch. Fill it out (print) and send it to the NHAI address on the form. NHAI will electronically file it for you.

PLAN BOOKLETS

The new NHAI Medical and Dental Plan Books replaces all previous plan books and is available on line and in hardcopy.
-ACTIVE MEMBERS: The new plan book is available at:www.NHAI.net. If you would like a hard copy, please request a copy by emailing Kathy at the Trust Office with: Name & School Building: kathy@kingstontrustfund.com.
No phone requests from actives, please.
**RETIREES*: The new plan book is available at:www.NHAI.net. If you would like a hard copy, please call Kathy at the Trust Office, (845)338-5422.

THE DEADLINE FOR ALL ELECTRONIC ENROLLMENT FORMS AND FOR PLAN BOOK HARDCOPIES IS APRIL 30.

GOVERNOR PATTERSON'S BUDGET

The Governor has proposed a Transaction Tax of $1 per claim of $20 or more for all third party administrated health plans. Therefore, this would impact the Kingston Trust Fund while large health insurance providers would be exempt. It is in Section 123 of the Health/Mental Hygiene Budget Bill and is Senate Bill #58 and Assembly Bill #158.

The Trust requests that, in your best interest, all members send an email to your State Senator and State Assemblyman asking them to NOT SUPPORT this legislation. It would severely impact the not for profit Kingston Trust Fund in the delivery of health, Rx, and dental services to our 1500 members and 6,500 covered lives.

Assemblyman Kevin Cahill: cahillk@assembly.state.ny.us
Senator William Larkin: larkin@senate.state.ny.us
(Any other Assemblymen and Senators?Just change the name in the email)
You can also call Assemblyman Cahill's office in Kingston at: (845)338-9610 and Senator Larkin's office in Albany at (518)455-2770.

Please do it NOW! The budget is due on April 1

IMPORTANT NOTICE TO NHAI PLAN MEMBERS

There have been a number of recent law changes to the NHAI Plan. They are included in the new plan book. The new plan book for Medical and Dental will be distributed upon final publication. It supercedes all previous plan books.

NEWBORN'S AND MOTHERS' HEALTH PROTECTION: **There shall be no requirement to pre-certify the hospital stay for maternity for up to 48 hours following a vaginal delivery or 96 hours following a delivery by caesarean section. This stay begins with the later of:**

- **If delivery is in the hospital, it begins at the time of the delivery or delivery of your last child if more the one newborn.**
- **If delivery occurs outside a hospital, the hospital length of stay begins at the time the mother or newborn is admitted to the hospital inpatient in connection with childbirth**

Benefits for maternity will automatically be provided based on plan benefits and will be paid as any other benefit, except for those mothers who timely enrolled in the Health Beginnings program within the first trimester or within 60 days of becoming covered under this plan. There shall be no penalty applied for failure to pre-certify the hospital stay as provided above. Members must timely notify the Plan of all newborns and submit birth certificate and Social Security # within 60 days of birth (30 days if single coverage was in effect at birth or for newborns of dependents.)

MICHELLE'S LAW: *A member may apply for a disability leave of absence for up to one year for a dependent 19-23 who is unable to attend school full time due to a physical or mental disability. Requests for extended coverage for such disability leave must be made within 60 days of the date of the event. A certification of disability is required from the medical provider.*

NEW MANDATORY CMS (MEDICARE/MEDICAID) REPORTING REQUIREMENTS*:* As of January 1, 2009, all group health plans are required to report the following information to CMS for any individual over age 45 as well as any individual under age 45 that has Medicare or Medicaid coverage. Consequently, all covered members are required to provide updated information on coverage, employment and/or retirement information for both the member and spouse.

1. Verification of all health *(and dental)* coverage in effect for any covered individual, including the insured, their spouse, any other parent (former spouse's/partners) of any covered dependents, with the effective date of such coverage and the ID #. **This information must be updated within 60 days any time coverage is added or terminated.**

2. Verification of any coverage termination ***(copy of the HIPAA Certificate)*** **must be provided in order to update the coordination of benefits information for claims and Rx coverage.**

3.Notice of Medicaid or Medicare coverage of any covered dependent or spouse.

4.Medicare Enrollment in Part A and B, as well as any enrollment in a Medicare Part D Plan. (The NHAI Plan provides comparable Rx coverage to any Medicare Part D Plan.)

5.Notice of any disabled dependents or spouses along with Social Security disability or Medicare eligibility is required.

6.VA, Champus and TriCare coverage is always secondary to coverage under a group **health plan irrespective of the normal coordination of benefits rules under federal law and the VA may bill your group health plan for non-service related injuries or illnesses.**

7.Members must report and disclose all other group health or dental coverage for any covered individual.

8.Disclosure of both parent's coverage information required for all covered dependents**.**

NEW COBRA RULES IN THE NEW ECONOMIC STIMULUS ACT

COBRA rules were modified by the American Recovery and Reinvestment Act of 2009, also known as the Economic Stimulus Act. The new rules affect employees who were/are terminated involuntarily (directly or indirectly) from their job between September 1, 2008 through December 31, 2009 are eligible for subsidized COBRA benefits for a maximum of 9 months provided that they are not eligible **for any other health coverage with another employer or under their spouse's plan or Medicare at the time of event. Assistance Eligible Individuals (AEI's) and any covered spouse or dependent at the time are eligible to continue COBRA at a subsidized rate of 35% of the normal COBRA premium for a maximum of 9 months or until the AEI is eligible for other health coverage.**

If your spouse is employed and is eligible for health benefits with his/her employer, the loss of coverage due to termination of employment is a COBRA event which qualifies as a Special Enrollment situation under any group health plan whereby the AEI can be added to their spouse's plan and the spouse is eligible to enroll in such coverage due to the loss of the NHAI benefits as well.

AEI's are REQUIRED to notify the plan in writing whenever they become eligible for any other group health plan or Medicare. Failure to timely notify the plan of such other coverage (or cessation of COBRA payments) will result in a tax penalty equal to 110% of the subsidy to the taxpayer for any month in which they received the subsidy and were covered by or eligible for another health plan or Medicare**.**

The electing AEI *(a COBRA member or qualified beneficiary (QB)--each QB may make this election separately)* must timely pay their portion of the COBRA premium based on 35% of the normal COBRA rate or 35% of any other rate normally subsidized by the Plan/Employer. If COBRA is subsidized for any member who is laid off or involuntarily terminated, the employer sponsored subsidy shall continue to apply and the 65% COBRA subsidy, if any, will only apply to the non-subsidized portion of your COBRA benefit. The employee's 35% will be based only on the subsidized portion of the COBRA premium the employee was responsible for.

Example #1**: If COBRA benefits are covered in full by the employer for two months following the month of the involuntary termination or layoff, the COBRA subsidy will commence as of the beginning of month 3 and it shall be provided for the remainder of the subsidy period, which would be a maximum of 7 months. The first two months of subsidized COBRA from the employer are included in the subsidy period. If the COBRA benefits were only subsidized in part, e.g. members pay 50% of the normal COBRA cost, then the subsidy would apply to that portion of the benefit that the members would normally have paid. Say, the normal COBRA premium for family coverage is $1,000 and it is normally subsidized by 50% for the first two months. AEI's would only pay 35% of the $500 or $175 for the first two months and then starting month 3, the AEI's COBRA premium would be $350 (35% x $1,000) and the subsidy would be $650.**

Example #2: **If COBRA begins as of the first day of the month following your involuntary termination, you will be eligible for the subsidy provided you elect COBRA benefits. Your premium will be 35% of the normal COBRA premium for a maximum of 9 months so long as you are not ELIGIBLE for other health coverage.**

The maximum subsidy period is limited to the lesser of 9 months or the remainder of the eligible COBRA period measured from the initial COBRA event for that individual. This Act does not extend the normal COBRA period of 18 months for employees involuntarily terminated or 36 months for loss of coverage for a dependent and is included as part of the normal COBRA period.

Subsidized COBRA benefits are subject to certain income limits and must be refunded for certain individuals if the incomes exceed the following limits. If your adjusted gross income as defined in Section 62 of the Code, increased by any amount excluded from gross income under Sections 911, 931 or 933 of the Code $145,000 for a single taxpayer or ($290,000 for joint filers), the amount of subsidy must be repaid as an increase in the taxpayers income tax liability. A taxpayer may make an irrevocable and permanent election waive the subsidy in which case they would pay the normal COBRA premium. Any such waiver must be provided in writing to the plan from the taxpayer.

Complete information on this program will be provided as part of the COBRA notice and additional information is also available at www.nhai.net