



IMPORTANT HEALTH INSURANCE INFORMATION

ProService Hawaii is the administrator of your Employer's health and welfare benefit plans. Your Employer provides health care benefits in accordance with the State of Hawaii Prepaid Health Care Act. Employees are eligible for health care benefits on the first day of the month following the month in which they worked twenty (20) or more hours for four (4) consecutive weeks with your Employer.

Employees may be required to pay up to one-half of the premium for single coverage, provided that the cost does not exceed 1.5% of their gross monthly wages. Employees may also be required to pay for the additional cost of their dependent coverage.

PREMIUMS

According to the Prepaid Health Care Act, if an employee is hospitalized or deemed disabled from working by a certified health care professional, your Employer is obligated to continue the employee's single coverage for a maximum period of three (3) months.

If there is a premium due for dependent coverage while the employee is hospitalized or otherwise prevented by sickness from working, the employee must continue to pay for dependent coverage. If payment is not received, dependent coverage may be cancelled.

WAIVER OF BENEFITS

If an eligible employee declines health care coverage, by law, an HC-5 form must be completed and submitted to ProService. The HC-5 form is binding between the Employee and your Employer for that entire calendar year. A new HC-5 form must be completed and submitted each calendar year.

COBRA

Eligible employees and/or their dependent(s) may have the right to pay for continuation of health care coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) upon the occurrence of a qualifying event which would otherwise cause them to lose group health insurance coverage. COBRA does not apply to any employer that normally employed fewer than twenty (20) employees on a typical business day during the preceding calendar year. The eligible employee and/or their dependents shall pay the full cost of the monthly premium plus a 2% administrative fee directly to the carriers.

DEPENDENT COVERAGE

If a dependent or spouse has a different last name from the employee, legal documentation is required and must be submitted with the enrollment application. Dependents must be added upon initial enrollment or during ProService's Open Enrollment period. No additions or changes can be made to an employee's health care insurance outside of the Open Enrollment and/or initial enrollment without the occurrence of a "qualifying event."

"Qualifying Events" are defined as:

- Involuntary loss of other medical insurance
- Birth or adoption of a child
- Marriage or Civil Union
- Court-ordered dependent coverage

Enrollment must be received within thirty (30) days of the qualifying event. If the qualifying event is due to the loss of other medical coverage, enrollment must be for the first of the month following the loss of coverage. If ProService receives notification beyond thirty (30) days from the qualifying event or after the first of the month following loss of coverage, dependent coverage will be denied and no changes may be made until the next Open Enrollment period.

In the event that ProService does not receive the required legal documents and enrollment within thirty (30) days from the event date or the employee fails to fulfill the payment of premium obligation, dependent coverage will be denied.