

**SUMMARY OF MATERIAL MODIFICATIONS FOR
BENEFIT OPTIONS HIGH DEDUCTIBLE HEALTH PLAN**

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This document is a summary of the material modifications (SMM) of the terms of the Benefit Options High Deductible Health Plan, as a result of an amendment made to the plan by the Arizona Department of Administration, Human Resources Division - Benefit Services, effective as of date(s) set forth below. We urge you to review these materials carefully as they advise you of the recent changes made to your Plan.

A copy of the Plan, including any amendments, as well as the Summary Plan Description (SPD), is available on our website at benefitoptions.az.gov. To receive a hard copy of this SMM and SPD, you may request one at no charge by contacting your medical network carrier BlueCross Blue Shield of Arizona at 1-866-287-1980 or UnitedHealthcare at 1-800-896-1067.

If there is any discrepancy between the terms of the Plan or any amendment and this document and its attachments, the provisions of the Plan, as amended, will control. If you have any questions, please contact Human Resources Division - Benefit Services.

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This document should be kept with your SPD and other communications, as these documents collectively are designed to help you better understand your rights under the Plan.

Effective January 1, 2021:

Benefit	Section and Detail of Change
Article 3 Eligibility and Participation	To remain compliant with CMS regulations for the treatment of HIPAA Special Enrollment situations. 3.10 Qualified Life Event Enrollment Added the following paragraph and updated the Qualified Life Event Enrollment chart: If you request a change due to a HIPAA special enrollment event within the 31-day timeframe, coverage for birth, adoption, or

	<p>placement for adoption will become effective on the date of birth, adoption or placement for adoption. For all other HIPAA Special Enrollment events, coverage will become effective the earlier of (a) the first day of the first pay period following your request for enrollment or (b) the first day of the next month following your request for enrollment.</p> <p>Clarify coverage termination date for non-payment of premium:</p> <p>3.12 Termination of Coverage Coverage for all Members/Dependents ends at 11:59 p.m. on the date the Plan is terminated. Failure to pay employee premiums could result in retroactive termination to the last day of the pay period which premium was paid through. The employee and their dependents will not be allowed to re-enroll until the following Open Enrollment period. Termination of coverage prior to that time is described in the table below. ... </p>
<p>Article 14 Legal Notices</p>	<p>To remain compliant with CMS regulations for the treatment of HIPAA Special Enrollment situations.</p> <p>14.2 Notice of Special Enrollment Rights for Health Plan Coverage If you decline enrollment in the State of Arizona’s health plan for you or your Dependents (including your Spouse) because of other health insurance or group health plan coverage, you or your Dependents may be able to enroll in the State of Arizona Employee’s health plan without waiting for the next Open Enrollment period if you:</p> <ul style="list-style-type: none"> ● Lose other health insurance or group health plan coverage. You must request enrollment within 31 days after the loss of other coverage. ● Gain a new Dependent as a result of marriage, birth, adoption or placement for adoption. You must request health

plan enrollment within 31 days after the marriage birth, adoption, or placement for adoption.

- Lose Medicaid or Children's Health Insurance Program (CHIP) coverage because you are no longer Eligible. You must request medical plan enrollment within 60 days after the loss of such coverage.

If you request a change due to a special enrollment event within the 31-day timeframe, coverage will be effective on the date of birth, adoption or placement for adoption. For all other events, coverage will **become effective the earlier of (a) the first day of the first pay period following your request for enrollment or (b) the first day of the next month** ~~be effective the first day of the first pay period~~ following your request for enrollment. In addition, you may enroll in the State of Arizona's health plan if you become eligible for a state premium assistance program under Medicaid of CHIP. You must request enrollment within 60 days after you gain eligibility for medical plan coverage. If you request this change, coverage will be effective the first day of the first pay period following your request for enrollment. Specific restrictions may apply, depending on federal and state law.

Note: If your Dependent becomes eligible for special enrollment rights, you may add the Dependent to your current coverage or change to another health plan.