

SEAFARERS HEALTH AND BENEFITS PLAN

5201 Capital Gateway Drive
Camp Springs, Maryland 20746-4275
(301) 899-0675

Margaret R. Bowen
Administrator

March 17, 2023

Re: End of Covid Emergency

Dear Participant

We are writing to notify you about a few benefit changes that will go into effect in the near future for participants at the Plan S benefit level.

End of Federal Covid-19 Emergencies

Due to the Covid pandemic, the federal government required health plans to make some temporary changes in benefits in an effort to assist people during this difficult time. The federal government has recently declared an end to the Covid-19 emergencies, effective May 11, 2023. As a result, SHBP will be reinstating its previous benefits.

The following changes will go into effect on **June 1, 2023**:

- Treatment for Covid-19 – This treatment will be covered like any other medical benefit. If you receive treatment at an in-Network provider, the Plan will pay 70% of the Network-allowed amount. If you receive treatment at an out-of-network facility, the Plan will pay 65% of the reasonable and customary charge.
- Covid tests – The Plan will pay for PCR tests (tests conducted by a laboratory) in the same manner as any other diagnostic test. This means that the Plan will pay 70% of the Network-allowed amount if you have a test at an in-Network facility, and 65% of the reasonable and customary amount if you have the test at an out-of-Network facility, the Plan will no longer pay for in-home Covid test kits.

The following changes will go into effect on July 12, 2023:

- Time to File Claims and Appeals – During the pandemic, the Plan provided additional time to file health claims and to submit appeals. The Plan will be reverting back to its usual rules. As of July 12, all claims must be filed **within 180 days of the date the claim accrued**. You have the right to appeal to the Board of Trustees if your claim is denied, or if you disagree with the Plan's decision about your benefits. If you wish to appeal a decision about your benefits, you must submit your appeal **within 180 days of the date you received the Plan's decision**.
- COBRA – During the Emergency period, the Plan allowed participants additional time to decide whether to elect COBRA and to pay COBRA premiums. The Plan is returning to the original COBRA requirements. If you or a family member lose benefits from the Plan because of loss of work, death of the employee, divorce, or because a child is over age 26, you must elect COBRA within 60 days of the qualifying event. You have 45 days to remit your first premium. After that, monthly premiums should be paid when due; although the Plan does provide a 30 day grace period.

COBRA Rate Increase

The Plan regularly reviews its COBRA rates, and has been able to maintain the same rates for more than four years. However, due to increased medical costs, the Plan will be increasing its COBRA rates on **July 1, 2023**. These new rates apply to all individuals currently receiving COBRA, and anyone who elects COBRA on or after July 1, 2023. The following are the new rates to continue Plan S benefits if you lose eligibility for coverage from the Plan:

Individual Coverage
\$528/month

Coverage for Two or More
\$1,094/month

Reminder about the Plan's Grandfathered Status

We would like to remind you that the Seafarers Health and Benefits Plan believes it is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the "ACA"). As permitted by the ACA, a grandfathered health plan can preserve certain basic coverage that was in effect when that law was enacted. Being a grandfathered health plan means that this Plan may not include certain consumer protections of the ACA that apply to other plans, for example, the requirement to provide preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the ACA, for example, the elimination of lifetime limits on benefits.

Questions about which protections apply and which protections do not apply should be directed to the Administrator at the above address. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor, at 1-866-444-3272, or at www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Questions?

If you have any questions about this letter, or about your health benefits in general, you may call (800) 252-4674, Option 3.

Sincerely,

Margaret R. Bowen
Administrator