

**AMERICAN RECOVERY AND REINVESTMENT ACT EXTENSION AMENDMENT  
TO THE  
PLAN DOCUMENT/SUMMARY PLAN DESCRIPTION  
MONTANA ASSOCIATION OF COUNTIES HEALTH CARE TRUST (MACOHCT)**

Effective December 21, 2009, Montana Association of Counties Health Care Trust is amended as follows:

Within the “**CONTINUATION COVERAGE AFTER TERMINATION**” section, the following subsection entitled “AMERICAN RECOVERY AND REINVESTMENT ACT RIGHTS”, as amended, is replaced as follows:

AMERICAN RECOVERY AND REINVESTMENT ACT RIGHTS

*The American Recovery and Reinvestment Act (ARRA) created additional COBRA rights for a limited period of time.*

*For the period February 17, 2009 through February 28, 2010, certain Qualified Beneficiaries, as defined in this section, will have the right to request and obtain a subsidy for COBRA premiums of sixty-five percent (65%) of the monthly premium. This subsidy applies to all tiers of COBRA premium charged by the Qualified Beneficiary’s employee health benefit plan. The sixty-five percent (65%) subsidy will be calculated upon the premium amount actually due and owing and to be paid by the Qualified Beneficiary. A Qualified Beneficiary who is entitled to the subsidy is known as an “Assistance Eligible Individual” (AEI).*

*To be considered to be an AEI, the following conditions must be met:*

- 1. The individual’s Qualifying Event and loss of coverage as or through an active employee must occur between February 17, 2009 and February 28, 2010; and*
- 2. The initial Qualifying Event must be an involuntary termination of employment; and*
- 3. The involuntary termination of employment cannot have been caused by gross misconduct; and*
- 4. The Qualifying Beneficiary’s adjusted gross income for 2009 federal income tax cannot be greater than \$145,000 for a Qualifying Beneficiary filing as single, or \$290,000 for a Qualifying Beneficiary filing a joint return. For Qualifying Beneficiaries whose 2009 adjusted gross income is between \$125,000 and \$145,000 filing single, or between \$250,000 and \$290,000 filing jointly, the amount of subsidy available will be less than sixty-five percent (65%), based upon a pro rated scale to be issued by the Internal Revenue Service.*

*The duration of the ARRA COBRA premium subsidy will be a maximum period of fifteen (15) consecutive months. The subsidy period may terminate sooner than fifteen months as a result of any of the following events:*

- 1. If COBRA Continuation Coverage terminates as a result of failure to pay premium, as a result of becoming covered under other coverage, including Medicare, after election of COBRA Continuation Coverage or, as a result of the Qualifying Beneficiary reaching the end of the maximum COBRA Continuation Coverage period; or,*
- 2. If the Qualified Beneficiary becomes eligible for other group health plan coverage or for Medicare at any time during the 9 month premium subsidy period.*

*Any AEI who dropped COBRA coverage on or after November 17, 2009 as a result of reaching nine months of subsidy payment may re-elect the subsidy described above for a maximum of an additional six (6) months, if such re election occurs on or before February 19, 2010, and full payment of the subsidized amount is received by the plan with forty five (45) days after the date of re-election.*

*Any AEI who continued COBRA coverage on or after November 17, 2009 by paying the full amount of the COBRA premium after exhaustion of the original nine months of subsidy may re-elect the subsidy for a maximum of an additional six (6) months, if such re-election occurs on or before February 19, 2010, and the Plan will credit the full premium amounts previously paid toward future subsidized COBRA premiums.*

*In the event a Qualified Beneficiary requests the ARRA COBRA premium subsidy, and the Qualified Beneficiary's Employer, or that Employer's designee, denies the application for the reason that the Qualifying Event was not an involuntary termination of employment, in such event, the Qualified Beneficiary shall have a right to appeal to the United States Department of Health & Human Services. Specific information regarding the location to which an appeal must be sent will be provided in the ARRA COBRA Premium Subsidy Qualification Denial Notice. A decision on the appeal will be made by the applicable governmental agency within fifteen (15) days after receipt of complete appeal.*

Nothing in this amendment is deemed to change any other provision of the Plan Document of which it becomes a part.

**MONTANA ASSOCIATION OF COUNTIES HEALTH CARE TRUST**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_