

Advance Tax Credit toward Health Coverage Rates for Displaced Workers who Qualify

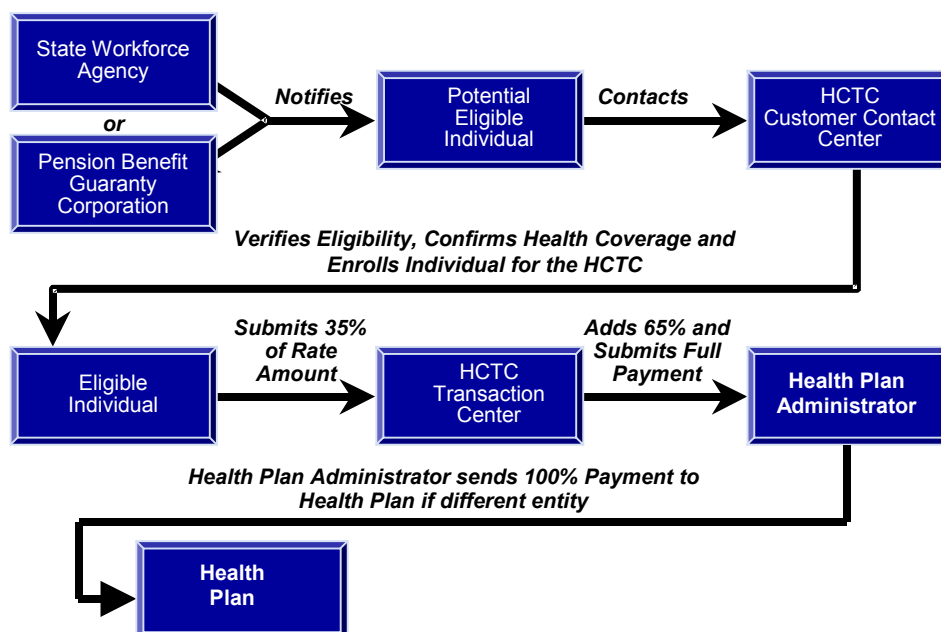
The Trade Adjustment Assistance Reform Act of 2002 (Public Law 107-210) created a federal tax credit for the purchase of private health insurance for certain individuals who become unemployed because of increased imports from, or shifts in production to, foreign countries. Since 2002, eligible individuals have been able to claim tax credits covering 65 percent of certain types of health-care coverage rates via their federal tax return. Eligible individuals include displaced workers certified to receive Trade Adjustment Assistance (TAA) benefits and individuals receiving benefits from the Pension Benefit Guaranty Corporation (PBGC).

In August 2003, HCTC will begin enrolling eligible individuals to claim the tax credit in advance (rather than as a credit on their federal year-end tax return) so they can receive payment of their rate credit on a monthly basis. The advance payment program establishes a process for eligible individuals to submit their portion of the rate payment (35 percent) to a federal processing center that will add the tax credit (65 percent of rate) and submit the full (100 percent) rate payment to their health plan. Two types of health coverage qualify for the advance payment program:

- COBRA continuation coverage
- Individual coverage if the coverage began 30 days prior to separation from employment.

To facilitate the advance tax credit process, the U.S. Treasury Department is establishing a HCTC customer transaction center. The process below details how individuals receive the credit (as defined by the Treasury Department).

Advance HCTC Benefit Cycle



Individuals and employers seeking information on the HCTC program and eligibility should contact the HCTC Customer Contact Center toll-free at 1-866-628-HCTC (1-866-628-4282) or online at www.irs.gov/individuals.

Asuris Northwest Health has been monitoring the development of the HCTC transaction center and will work closely with the Federal agencies involved to ensure accurate and timely rate payment processing. At this time, Asuris Northwest Health has not elected to qualify additional types of coverage. If you have any questions, please contact Asuris Northwest Health Member Services or your Asuris marketing contact.

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