## MEDICARE & MEDICARE PART B REIMBURSEMENT

You must complete the Medicare Part B Reimbursement Program Application in order to:

- Notify the Health Benefits Program of your Medicare eligibility,
- Receive reimbursement from the City for Medicare Part B premiums paid, excluding any penalties, and
- Adjust your health plan premiums, if applicable.

Certain plans do not provide coverage for Medicare enrollees; these include VYTRA and MetroPlus. You will have the opportunity to transfer to another plan by completing a Health Benefits Application.

### MEDICARE PART B REIMBURSEMENT

The City will reimburse Medicare-eligible retirees and their Medicare-eligible dependent(s) for Medicare Part B premiums, excluding any penalties, paid during the calendar year, subject to meeting the following conditions:

1. The Medicare card for the Medicare-eligible retiree and/or Medicare-eligible dependent(s) is on file with the New York City Health Benefits Program; and
2. The Medicare-eligible retiree is receiving a pension from a City of New York pension system; and
3. The Medicare-eligible retiree and/or Medicare-eligible dependent(s) is covered by a health plan offered by the City Health Benefits Program; and
4. The City offered health plan has the Medicare-eligible retiree and/or Medicare-eligible dependent(s) in Medicare status; and
5. The Medicare-eligible retiree and/or Medicare-eligible dependent(s) is currently paying Medicare Part B premiums and is not receiving Medicare Part B reimbursement(s) from any other source, including Medicaid.

If a Medicare-eligible retiree and/or Medicare-eligible dependent(s) lives outside of the USA or its territories, they are only eligible for reimbursement for the months they live in the USA or its territories.

The Medicare Part B reimbursement is issued in April for the prior calendar year (January through December). If you are receiving your pension payment through Electronic Fund Transfer (EFT) or direct deposit, the Medicare Part B reimbursement for you and your Medicare-eligible dependent will be deposited directly into your bank account. This payment will be a separate deposit from your pension payment. If you do not have EFT or direct deposit, you will receive a check for your reimbursement.

If you met the above conditions for Medicare Part B Reimbursement for prior years except that you did not enroll by providing a copy of your Medicare card to the City Health Benefits Program, reimbursement is limited to the previous three (3) calendar years.

## RETIRING EMPLOYEES AGED 65 OR OLDER WHO WAIVED CITY HEALTH BENEFITS

At retirement, employees who have chosen Medicare as their primary plan or whose dependents have not been covered on their plan because their spouse/domestic partner elected Medicare as the primary plan may re-enroll in the City health benefits program. This is done by completing a Health Benefits Application and submitting it to their agency health benefits, payroll or personnel office. Also at retirement, Medicare-eligible employees for whom the City Health Benefits Program had provided primary coverage are permitted to change health plans effective on the same date as their retiree health coverage.

## SECTION III – COBRA

Important: Read this entire provision to understand your COBRA rights and obligations with respect to the health plans under the Health Benefits Program.

The following is a summary of the federal continuation requirements under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended. This summary generally explains COBRA continuation coverage, when it may become available to you and your family, and what you and your dependents need to do to protect the right to receive it. When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage. This summary provides a general notice of a Covered Person's rights under COBRA, but is not intended to satisfy all the requirements of federal law. Your employer or the COBRA Administrator will provide additional information to you or your dependents as required.

You may have other options available to you when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's/domestic partner's plan), even if that plan generally does not accept Late Enrollees.

### INTRODUCTION

Federal law gives certain persons, known as Qualified Beneficiaries (defined below), the right to continue their health care benefits beyond the date that they might otherwise lose coverage. The Qualified Beneficiary must pay the entire cost of the COBRA continuation coverage (includes both the employer share and employee share of health plan cost), plus an administrative fee. In general, a Qualified Beneficiary has the same rights and obligations under the health plans as an active participant.

A Qualified Beneficiary may elect to continue coverage under the health plans if such person's coverage would terminate because of a life event known as a Qualifying Event (outlined below). When a Qualifying Event causes (or will cause) a Loss of Coverage, the health plans must offer COBRA continuation coverage. Loss of Coverage means more than losing coverage entirely. It means that a person ceases to be covered under the same terms and conditions that are in effect immediately before the Qualifying Event. In short, a Qualifying Event plus a Loss of Coverage allows a Qualified Beneficiary the right to elect coverage under COBRA.

Generally, you, your covered spouse/domestic partner, and your dependent children may be Qualified Beneficiaries and eligible to elect COBRA continuation coverage, even if you or your dependent is already covered under another employer-sponsored group health plan or is enrolled in Medicare at the time of the COBRA election.

### COBRA CONTINUATION COVERAGE FOR QUALIFIED BENEFICIARIES

If you are an employee, you will become a Qualified Beneficiary if you lose coverage under a Health Plan because either one of the following Qualifying Events happens:

| **Qualifying Event** | **Length of Continuation** |
|---|---|
| Your employment ends for any reason other than your gross misconduct | up to 36 months |
| Your hours of employment are reduced | up to 36 months |
| You are on City approved leave or leave without pay and no longer eligible for City health coverage | up to 36 months |

The spouse/domestic partner of an employee will become a Qualified Beneficiary if they lose coverage under one of the health plans because any one of the following Qualifying Events happens:

| **Qualifying Event** | **Length of Continuation** |
|---|---|
| The employee dies | up to 36 months |
| The employee's hours of employment are reduced | up to 36 months |
| The employee's employment ends for any reason other than their gross misconduct | up to 36 months |
| The employee becomes entitled to Medicare benefits (under Part A, Part B, or both) | up to 36 months |
| The employee and spouse become divorced | up to 36 months |
| The employee and domestic partner are no longer registered | up to 36 months |

The dependent children of an employee will become Qualified Beneficiaries if they lose coverage under one of the health plans because any one of the following Qualifying Events happens:

| **Qualifying Event** | **Length of Continuation** |
|---|---|
| The parent-employee dies | up to 36 months |
| The parent-employee's employment ends for any reason other than their gross misconduct | up to 36 months |
| The parent-employee's hours of employment are reduced | up to 36 months |
| The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both) | up to 36 months |
| The parents become divorced | up to 36 months |
| The child loses eligibility for coverage under one of the Health Plans as a dependent | up to 36 months |

COBRA continuation coverage for retired employees and their dependents is described below:

| **Qualifying Event** | **Length of Continuation** |
|---|---|
| If you are a retired employee and your coverage is reduced or terminated due to your Medicare entitlement, and as a result your dependent's coverage is also terminated, your spouse/domestic partner and dependent children may also become Qualified Beneficiaries. | up to 36 months |
| If you are a retired employee and your coverage is terminated due to suspension of City pension benefit payments | Retired employee - Lifetime<br><br>Dependents - 36 months |

Note: A spouse/domestic partner or a dependent child newly acquired through birth or adoption during a period of continuation coverage is eligible to be enrolled as a dependent. The standard enrollment provision of the health plans applies to enrollees during continuation coverage. A dependent other than a newborn or newly adopted child who is acquired and enrolled after the original Qualifying Event is not eligible as a Qualified Beneficiary if a subsequent Qualifying Event occurs.

## COBRA NOTICE PROCEDURES

### THE NOTICE(S) A COVERED PERSON MUST PROVIDE UNDER THIS SUMMARY PLAN DESCRIPTION

In order to be eligible to receive COBRA continuation coverage, covered employees, and their dependents have certain obligations with respect to certain Qualifying Events (including divorce of the employee and spouse/domestic partner or a dependent child's loss of eligibility for coverage as a dependent and the employee becoming entitled to Medicare benefits due to disability (Part A, Part B, or both) to provide written notices within 60 days to your employer. For retirees, please contact the Health Benefits Program (non-NYCAPS agencies must contact either their HR or Benefits/Payroll Office). Follow the rules described in this procedure when providing notice to your employer or the Health Benefits Program.

A Qualified Beneficiary's written notice must include all of the following information:

- The Qualified Beneficiary's name, current address, and complete phone number,
- A description of the Qualifying Event (i.e., the life event experienced), and
- The date the Qualifying Event occurred or will occur.

For purposes of the deadlines described in this Summary Program Description, the notice must be postmarked by the deadline. In order to protect your family's rights, the employer or the Health Benefits Program should be informed of any changes to the addresses of family members. Keep copies of all notices you send to the Health Benefits Program or employer.

## COBRA NOTICE REQUIREMENTS AND ELECTION PROCESS

### EMPLOYER OBLIGATIONS TO PROVIDE NOTICE OF THE QUALIFYING EVENT

Your employer, as the COBRA Administrator, acknowledges notice when coverage terminates due to the employee's termination of employment or reduction in hours, or the death of the employee, or the employee becoming entitled to Medicare benefits due to age (Part A, Part B, or both).

### EMPLOYEE OBLIGATIONS TO PROVIDE NOTICE OF THE QUALIFYING EVENT

The Covered Person must give notice to the employer or the Health Benefits Program in the case of divorce of the employee and a spouse/domestic partner, a dependent child ceasing to be eligible for coverage under a health plan offered through the Health Benefits Program. The covered employee or Qualified Beneficiary must provide written notice to the Health Benefits Program in order to ensure rights to COBRA continuation coverage. The Covered Person must provide this notice within the 60-calendar-day period that begins on the latest of:

- The date of the Qualifying Event; or
- The date on which there is a Loss of Coverage (or would be a Loss of Coverage) due to the original Qualifying Event; or
- The date on which the Qualified Beneficiary is informed of this notice requirement by receiving this Summary Program Description or the General COBRA Notice.

The employer will provide an election notice to each Qualified Beneficiary within 14 calendar days of receiving notice of a Qualifying Event known to the employer or from the covered employee, or the Qualified Beneficiary.

## MAKING AN ELECTION TO CONTINUE GROUP HEALTH COVERAGE

Each Qualified Beneficiary has the independent right to elect COBRA continuation coverage. A Qualified Beneficiary will receive a COBRA election form that should be completed in order to elect to continue group health coverage under a health plan. A Qualified Beneficiary may elect COBRA coverage at any time within the 60-day election period. The election period ends 60 calendar days after the later of:

- The date City health coverage terminates due to a Qualifying Event; or
- The date the employer provides the Qualified Beneficiary with an election notice.

A Qualified Beneficiary must notify the applicable health plan carrier offered through the Health Benefits Program of their election in writing in order to continue group health coverage and must make the required payments when due in order to remain covered. If the Qualified Beneficiary does not choose COBRA continuation coverage within the 60 day election period, City health coverage will end on the day of the Qualifying Event.

## PAYMENT OF CLAIMS AND DATE COVERAGE BEGINS

No claims will be paid by the applicable health plan offered through the Health Benefits Program for services the Qualified Beneficiary receives on or after the date coverage is lost due to a Qualifying Event. If, however, the Qualified Beneficiary has not completed a waiver and decides to elect COBRA continuation coverage within the 60-day election period, City health coverage will be reinstated retroactively to the date coverage was lost, provided the Qualified Beneficiary makes the required payment when due. Any claims that were denied during the initial COBRA election period will be reprocessed once the applicable health plan receives the completed COBRA election form and required payment.

If a Qualified Beneficiary previously waived COBRA coverage but revokes that waiver within the 60-day election period, coverage will not be retroactive to the date of the Qualifying Event but instead will become effective on the date the waiver is revoked.

## PAYMENT FOR CONTINUATION COVERAGE

Qualified Beneficiaries are required to pay the entire cost of continuation coverage, which includes both the employer and employee contributions. This cost may also include a 2% additional fee to cover administrative expenses. An additional PICA premium cost may apply for employees and pre-Medicare retirees. The cost of continuation coverage is subject to change at least once per year.

Each Qualified Beneficiary will have the same options under COBRA (for example, the right to add or eliminate coverage for dependents) during the annual Fall Transfer Period. The cost of continuation coverage will be adjusted accordingly.

The initial payment is due no later than 45 calendar days after the Qualified Beneficiary elects COBRA as evidenced by the postmark date on the envelope. This first payment must cover the cost of continuation coverage from the time coverage under a health plan would have otherwise terminated, up to the time the first payment is made. If the initial payment is not made within the 45-day period, then coverage will remain terminated without the possibility of reinstatement. There is no grace period for the initial payment.

The due date for subsequent payments is typically the first day of the month for any particular period of coverage. However, the Qualified Beneficiary will receive specific payment information, including due dates when the Qualified Beneficiary becomes eligible for and elects COBRA continuation coverage.

If, for whatever reason, any Qualified Beneficiary receives any benefits under a health plan during a month for which the payment was not made on time, the Qualified Beneficiary will be required to reimburse the health plan for the benefits received.

If the selected health plan to provide COBRA receives a check that is missing information or contains discrepancies regarding the information on the check (e.g., the numeric dollar amount does not match the written dollar amount), the health plan will provide a notice to the Qualified Beneficiary with information regarding what needs to be done to correct the mistake.

Note: Payment will not be considered made if a check is returned for non-sufficient funds.

## A QUALIFIED BENEFICIARY'S NOTICE OBLIGATIONS WHILE ON COBRA

Always keep the selected health plan that is providing COBRA informed of the current addresses of all Covered Persons who are or who may become Qualified Beneficiaries. Failure to provide this information may cause you or your dependents to lose important rights under COBRA.

In addition, written notice to the selected health plan that is providing COBRA is required within 30 calendar days of the date any one of the following events occurs:

- The Qualified Beneficiary marries.
- A child is born to, adopted by, or Placed for Adoption by a Qualified Beneficiary.
- Any Qualified Beneficiary becomes covered by another group health plan or enrolls in Medicare Part A or Part B.

Additionally, if the employer requests additional information from the Qualified Beneficiary, the Qualified Beneficiary must provide the requested information in the timeframe outlined in the request document.

## LENGTH OF CONTINUATION COVERAGE

COBRA coverage is available up to the maximum periods described below, subject to all COBRA regulations and the conditions of this Summary Program Description:

For Employees and Dependents: 36 months from the Qualifying Event. If an active employee enrolls in Medicare before their termination of employment or reduction in hours, then the covered spouse/domestic partner and dependent children will be entitled to COBRA continuation coverage for up to the greater of 36 months from the employee's termination of employment or reduction in hours, or 36 months from the earlier Medicare Enrollment Date, whether or not Medicare enrollment is a Qualifying Event.

## COVERAGE OPTIONS OTHER THAN COBRA CONTINUATION COVERAGE

There may be other coverage options for you and your family through the Health Insurance Marketplace, Medicare, Medicaid, the Children's Health Insurance Program (CHIP), or other group health plan coverage (such as a spouse's/domestic partner's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. you can learn more about many of these options at www.healthcare.gov.

In general, if you do not enroll in Medicare Part A or B when you are first eligible because you are still employed, after the Medicare initial enrollment period you have an eight-month special enrollment period to sign up for Medicare Part A or B, beginning on the earlier of (a) the month after your employment ends, or (b) the month after group health plan coverage based on current employment ends.

If you do not enroll in Medicare and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and later enroll in Medicare Part A or B before the COBRA continuation coverage ends, the health plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage. If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (as the primary payer) and COBRA continuation coverage will pay second. For more information visit https://www.medicare.gov/medicare-and-you.

## EARLY TERMINATION OF COBRA CONTINUATION

COBRA continuation coverage may terminate before the end of the above maximum coverage periods for any of the following reasons:

- The employer ceases to maintain a group health plan for any employees. (Note that if the employer terminates the health plan under which the Qualified Beneficiary is covered, but still maintains another health plan for other, similarly situated employees, the Qualified Beneficiary will be offered COBRA continuation coverage under the remaining health plan, although benefits and costs may not be the same.)
- The required contribution for the Qualified Beneficiary's coverage is not paid within the timeframe expressed in the COBRA regulations.
- After electing COBRA continuation coverage, the Qualified Beneficiary becomes entitled to and enrolled in Medicare.
- After electing COBRA continuation coverage, the Qualified Beneficiary becomes covered under another group health plan.
- Termination for cause, such as submitting fraudulent claims.

## SPECIAL NOTICE

If COBRA continuation coverage is elected, the continuation coverage must be maintained (by paying the cost of the coverage) for the duration of the COBRA continuation period. If the continuation coverage is not exhausted and maintained for the duration of the COBRA continuation period, the Qualified Beneficiary will lose their special enrollment rights. It is important to note that losing HIPAA special enrollment rights may have adverse effects for the Qualified Beneficiary since it will make it difficult to obtain coverage, whether group health coverage or insurance coverage through the individual market or the exchange. After COBRA continuation coverage is exhausted, the Qualified Beneficiary will have the option of electing other group health coverage or insurance coverage through the individual market or the exchange, in accordance with their HIPAA special enrollment rights.