

I. PURPOSE

To offer the continuation of medical, dental and vision insurance coverage to employees who terminate or otherwise lose coverage under a Agency plan in compliance with the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985.

II. POLICY

A. Qualifying Events

The Agency will provide all eligible employees with the opportunity to continue, at cost (plus the allowable administrative fee), medical, dental and vision insurance coverage for themselves and their eligible dependents as a result of either separation, other than for gross misconduct, or reduction in regular work schedule to less than twenty 20 hours per week. The period of extended coverage is for a maximum of eighteen (18) months.

The employee's spouse may make a separate election. They may elect to continue coverage for up to thirty-six (36) months following the date that they no longer qualify for coverage due to the following reasons: (1) the death of the spouse (employee); (2) divorce or legal separation from the spouse (employee); (3) eligibility of the spouse (employee) for Medicare.

The employee's dependent child may make a separate election. They may elect to continue coverage for up to thirty-six (36) months following the date that they no longer qualify for coverage for the following reasons: (1) the death of a parent (employee); (2) the parent's (employee's) divorce or legal separation; (3) the parent (employee) becomes entitled to Medicare; (4) the dependent ceases to be a dependent child under the group plan.

Medical, Dental and Vision Coverage Continuation, Continued

Employees, spouses and/or dependents who are disabled (as determined by the Social Security Administration) at the time of the qualifying event will be offered twenty-nine (29) months of coverage. In order to be eligible for the extended COBRA coverage, the beneficiary must notify the Personnel Department of the disability within sixty (60) days of that determination, and before the end of the initial eighteen (18) month period. This extended coverage will be provided at up to 150% of the applicable premium for the 19th through the 29th month of coverage.

If the person ceases to be disabled, s/he must notify the Agency within 30 days of the date of the Social Security Administration's final determination that the disability ceased. The Agency may then terminate that beneficiary's extended COBRA coverage as of the first of the month starting 30 days after the final determination.

If a second qualifying event (death, divorce or loss of dependent status) occurs in the initial eighteen (18) or twenty-nine (29) month period of coverage, COBRA coverage must be offered for thirty-six (36) months from the first qualifying event.

B. Duration

Coverage under this plan shall cease prior to the above stated time limits if any of the following occur:

1. The Agency cancels coverage for all employees;
 2. The employee, spouse, or dependent fails to pay the premium for the continued coverage within the allotted time;
 3. The former spouse of the employee remarries and receives coverage by another group plan; or
-

Medical, Dental and Vision Coverage Continuation, Continued

4. The employee, spouse, or dependent receives coverage under another group health plan, including Medicare, unless that plan contains any exclusion or limitation with respect to any preexisting condition. In cases where the employee, spouse or dependent has a preexisting condition not covered by the new plan, COBRA will be offered to the one beneficiary with the preexisting condition.

C. Medicare Entitlement

If a covered employee becomes entitled to Medicare and later has a COBRA qualifying event, the period of coverage for the covered employee's spouse and dependents will last for thirty-six (36) months from the employee's date of Medicare entitlement.

If the covered employee first becomes qualified for COBRA and subsequently, within the initial eighteen (18) month period, becomes entitled to benefits under Medicare, the employee's spouse and dependents are entitled to a total of thirty-six (36) months of coverage calculated from the date the employee originally qualified for COBRA.

D. Conversion

Conversion from a group to an individual plan may only take place when group coverage eligibility ends. (See B.1-B.4.) All regular contractual conversion rules apply.

III. PROCEDURE AND RESPONSIBILITIES

The employee or qualified beneficiaries are responsible for notifying the Personnel Department of changes in address within 30 days and, in the event of divorce or legal separation, or if a child no longer qualifies as a dependent, within sixty (60) days of the event or the date coverage would otherwise end, whichever is later.

Medical, Dental and Vision Coverage Continuation, Continued

Eligible employees may enroll in insurance coverage continuation upon the incident of the "qualifying event" by notifying the Personnel Department.

The Personnel Department must notify the Insurance Plan Administrator within thirty (30) days of notification of the qualifying event.

The Personnel Department must notify any qualified beneficiary within fourteen (14) days of notification of the qualifying event of that beneficiary's rights under COBRA.

A decision to extend coverage by the employee or dependents must be made and the appropriate form(s) submitted to the Agency Personnel Department within sixty (60) calendar days from the date regular coverage ceases or notice of COBRA rights was received, whichever is later.

The employee/dependent(s) must pay the initial premium for the continued coverage within forty-five (45) calendar days of the election to continue coverage. Payment of this premium provides coverage starting from the date of coverage termination. Ongoing payments must be made within 30 days of the 1st of each month.
