

EXTENDED GROUP HEALTH COVERAGE

The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides for certain employees of the District and their dependents to be allowed to purchase extended group health insurance coverage for a limited period of time following their cessation of employment with the District. The Board contracts with a plan administrator who coordinates the program and provides the notices that are necessary.

1. Initial Notices

- A. The plan administrator must give a written notice describing the extended coverage rights to all employees and spouses covered by the group health insurance plan.
- B. The plan administrator must give a written notice describing extended coverage rights to each newly covered employee and spouse at the time their group health plan coverage begins. If a covered employee marries following the effective date of this policy, it is the employee's responsibility to inform the Board. The Board informs the plan administrator, who is then responsible for providing the new spouse with the proper notice.

2. Notices Related to Event Triggering Continuation Coverage and Election by Beneficiaries

- A. The Board is responsible for notifying the plan administrator, within 30 days, of the death, separation of employment or reduction of hours (leading to less coverage) of an employee and of an employee's entitlement to Medicare benefits.
- B. The employee or beneficiary is responsible for notifying the plan administrator of the divorce or legal separation of the employee and spouse and of the termination of eligibility of a dependent child.
- C. The plan administrator must notify the affected employee and dependents of their extended coverage rights within 14 days after the plan administrator is notified of the event that could lead to loss of coverage.
- D. The employee or dependent is given a period of 60 days after this notice is given in order to elect the extended coverage and to present payment of any applicable premium costs back to the cessation of coverage.

3. Employees' and Dependents' Rights Upon Loss of Coverage

- A. The extended coverage offered to eligible employees and their dependents is the same coverage as that provided under the current group plan to "similarly situated" individuals who remain eligible for regular (i.e., nonextended) coverage.

- B. If an employee incurs a termination of employment, whether voluntary or involuntary (other than for “gross misconduct”), or a reduction of hours that results in loss of coverage, he/she will be offered the extended coverage (including extended coverage for dependents who would otherwise lose existing coverage) for up to 18 months.
- C. If an employee’s spouse or children who are covered as dependents under the group health plan would lose coverage because of the death of the employee, divorce, legal separation or the employee’s becoming eligible for Medicare, the spouse and children will be offered the extended coverage for up to 36 months.
- D. If an employee’s dependent child who is covered by the group health plan ceases to be a dependent child under the terms of the plan and thereby loses coverage, the child must be offered extended coverage for up to 36 months.

4. Early Retirement of Coverage

Extended coverage elected by an eligible employee or dependent is terminated before the expiration of the relevant 18- or 36-month period if the covered individual:

- A. becomes covered by another employer-sponsored group health plan as a result of employment, re-employment or remarriage;
- B. becomes covered by Medicare or
- C. fails to pay for the coverage.

5. Cost of Coverage to the Employee and/or Dependents

- A. Eligible individuals who elect extended coverage can be charged 102% of the cost of the extended coverage. The cost of the extended coverage is the cost for the same period of coverage for similarly situated employees or dependents who remain eligible for regular coverage.
- B. The health care coverage to which this policy applies includes major medical, hospitalization and surgical and dental insurance but does not include life insurance.

[Adoption date: December 16, 1993]

[Re-adoption date: August 21, 2014]

LEGAL REF.: Consolidated Omnibus Budget Reconciliation Act; 42 USC 300bb-1 et seq.