

Notification of COBRA Rights

Important Notice to Employees of the Capital Area Health Consortium and their Spouses

Federal law requires that we offer employees and their families the opportunity for a temporary extension of health coverage at group plan rates in certain instances where coverage under the plan would otherwise end. Both you and your spouse should take the time to read this notice carefully.

If you are covered by the Capital Area Health Consortium (CAHC) health plan, as **employee, spouse of employee, or dependent of employee**, you have the right to choose this continuation coverage for up to 18 months if you lose group coverage because of:

1. Termination/resignation of your employment (for reasons other than gross misconduct on your part).
2. Reduction in your hours of employment.

If you are the **spouse** of an employee covered by the group health plan, you have the right to choose continuation coverage for yourself for up to 36 months if you lose group health coverage for any of the following reasons:

1. The death of your spouse.
2. Divorce or legal separation from your spouse.
3. Your spouse becomes entitled to Medicare.

In the case of a **dependent child** of an employee covered by the group health plan, including a newborn infant or a newly adopted child, he or she has the right to continuation coverage for up to 36 months if group health coverage is lost for any of the following reasons:

1. The death of a parent.
2. A parent becomes entitled to Medicare.
3. The dependent ceases to be a dependent child (due to age or marriage) under the group plan.

Employees or family members have the sole responsibility to promptly inform CAHC in the event of a divorce, legal separation, or a child losing dependent status under the group plan. In addition, employees or family members must keep CAHC informed of their current address and marital status.

When CAHC is notified that one of these events has happened, you will be sent the paperwork needed for continuation coverage. Under COBRA, you have 60 days from the termination of your group plan to sign up for continuation coverage. If you choose coverage, it will be identical to the coverage provided under the plan to employees and their dependents. The 18-month period may be extended to 36 months if other events (divorce, legal separation, death, or Medicare entitlement) occur during that 18-month period. In addition, the 18-month period will be extended to 29 months if you or a family member entitled to continuation coverage is disabled (for Social Security disability purposes) before the end of 60 days after continuation coverage begins and the insurance carrier is notified of that determination before the end of the 18 months. The affected individual must also notify the insurance carrier of any final determination that the individual is no longer disabled.

However, COBRA also provides that your continuation coverage may be cut short for any of the following reasons:

1. Your employer no longer provides group health coverage to any of its employees.

2. The premium for your continuation coverage is not paid on time.
3. After you elect COBRA, you become covered under another group health plan that does not contain any exclusion or limitation for any pre-existing condition you may have.
4. After you elect COBRA, you become entitled to Medicare.
5. You extended coverage for up to 29 months due to a disability and there has been a final determination that you are no longer disabled.

If you elect continuation coverage, you must complete the proper COBRA election form. You will be responsible for 100% of the total premium, plus an additional 2% for administrative costs.

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