



## Pinellas County Human Resources Consolidated Omnibus Budget Reconciliation Act (COBRA)

### Notice of Right to Elect COBRA Coverage Continuation Coverage

On April 7, 1986, a federal law was enacted (Public Law 99-272, Title X) requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law. You and your family should take the time to read this notice carefully.

If you are an **employee** of Pinellas County Government and are covered under the County's Group Health and/or Dental Plan you have a right to choose continuation coverage if you lose your group health and/or dental coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the **spouse** of an employee covered by the Plan you have the right to choose continuation coverage for yourself if you lose group health and/or dental coverage under the Plan for any of the following reasons:

1. The death of your spouse;
2. A termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment;
3. Divorce from your spouse;
4. Your spouse becomes entitled to Medicare.

In the case of a **dependent child** of an employee covered by the Plan, he or she has the right to continuation coverage if group health and/or dental coverage is lost for any of the following reasons:

1. The death of the employee;
2. A termination of the employee's employment (for reasons other than gross misconduct) or reduction in the employee's hours of employment;
3. The employee's divorce;
4. The employee becomes entitled to Medicare;
5. The dependent child ceases to be a "dependent child" under the terms of the Plan.

Under the law, the employee or a family member has the obligation to inform Pinellas County Personnel Department, Employee Benefits, of a divorce, or a child losing dependent status within 60 days of the date of the event. Employee Benefits has the responsibility to notify the County's COBRA Administrator of the employee's death, termination, reduction in hours of employment or Medicare entitlement.

After Employee Benefits is notified that one of these events has happened, the County's COBRA Administrator will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above to inform the County's COBRA Administrator that you want continuation coverage. If you do not choose continuation coverage on a timely basis, your group health and/or dental insurance coverage will end.

If you choose continuation coverage, the County is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the Plan to similarly situated employees or family members. The law requires that you be afforded the opportunity to maintain

continuation coverage for 36 months unless you lost group health and/or dental coverage because of a termination of employment or reduction in hours. In that case, the required continuation coverage period is 18 months. This 18 months may be extended for affected individuals to 36 months from termination of employment if other events (such as a death, divorce, or Medicare entitlement) occur during that 18-month period.

In no event will continuation coverage last beyond 36 months from the date of the event that originally made a qualified beneficiary eligible to elect coverage. The 18 months may be extended to 29 months if a qualified beneficiary is determined by the Social Security Administration to be disabled (for Social Security disability purposes) at any time during the first 60 days of COBRA coverage. This 11-month extension is available to all individuals who are qualified beneficiaries due to a termination or reduction in hours of employment. To benefit from this extension, a qualified beneficiary must notify the County's COBRA Administrator of that determination within 60 days and before the end of the original 18-month period. The affected individual must also notify the County's COBRA Administrator within 30 days of any final determination that the individual is no longer disabled.

A child who is born to or placed for adoption with the covered employee during a period of COBRA coverage will be eligible to become a qualified beneficiary. In accordance with the terms of the Plan and the requirements of federal law, these qualified beneficiaries can be added to COBRA coverage upon proper notification to the County's COBRA Administrator of the birth or adoption.

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

1. The County no longer provides group health and/or dental coverage to any of its employees;
2. The premium for continuation coverage is not paid on time;
3. The qualified beneficiary becomes covered – after the date he or she elects COBRA coverage – under another group health and/or dental plan that does not contain any exclusion or limitation with respect to any pre-existing condition he or she may have;
4. The qualified beneficiary becomes entitled to Medicare after the date he or she elects COBRA coverage;
5. The qualified beneficiary extends coverage for up to 29 months due to disability and there has been a final determination that the individual is no longer disabled.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) restricts the extent to which group health plans may impose pre-existing condition limitations. These rules are generally effective for plan years beginning after June 30, 1997. HIPAA coordinates COBRA's other coverage cut-off rule with these new limits as follows.

If you become covered by another group health and/or dental plan and that plan contains a pre-existing condition limitation that affects you, your COBRA coverage cannot be terminated. However, if the other plan's pre-existing condition rule does not apply to you by reason of HIPAA's restrictions on pre-existing condition clauses, the Plan may terminate your COBRA coverage.

You do not have to show that you are insurable to choose continuation coverage. However, continuation coverage under COBRA is provided subject to your eligibility for coverage; the County's COBRA Administrator reserves the right to terminate your COBRA coverage retroactively if you are determined to be ineligible.

Under the law, you may have to pay all or part of the premium for your continuation coverage. There is a grace period of at least 30 days for payment of the regularly scheduled premium.

Please notify Pinellas County Employee Benefits if you have a change in address, marital or dependent status. If you have any questions about COBRA, please contact Employee Benefits at (727) 464-4570.