

The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides that qualified employees and dependents in the groups listed below who were not previously able to continue on a group health plan may now elect to continue on the group health plan.

Qualified employees and dependents are:

1. Employees: Termination of employment (including involuntary termination for any reason other than gross misconduct); or a reduction in number of hours worked;
2. Dependents: Divorce or legal separation; the employee's death; or an active employee's decision to drop out of the plan upon his/her entitlement to Medicare; and/or
3. Dependent Children: Loss of status as a dependent for any reason (e.g., attainment of maximum age, marriage, etc.).

If an employee becomes ineligible by virtue of (1) above, that employee (and his/her then covered dependents) must be offered continuation for the period beginning on the date coverage would otherwise cease and ending on the earliest of:

- a. the last day of the plan month for which the employee makes timely payment of any required premium;
- b. the date on which the group health plan is ended (and not replaced);
- c. with respect to each employee and dependent, the date that person becomes covered under another group health plan or becomes entitled to Medicare; or
- d. the date eighteen (18) months after the date continuation begins.

If an employee's dependent(s) become eligible by virtue of (2) or (3) above, such dependent(s) must be offered continuation for the period beginning on the date coverage would otherwise cease and ending on the earliest of:

- a. the last day of the plan month for which the dependent(s) makes timely payment of any required premium;
- b. the date on which the group health plan is ended (and not replaced);
- c. with respect to each dependent, the date that person becomes covered under another group health plan or becomes entitled to Medicare; or

- d. the date thirty-six (36) months after the date continuation begins.

The following provision of the law providing for continuation of benefits will also apply:

1. During the period of continuation, qualified employees/dependents will be treated as if normal plan coverage had not ceased.
2. The District will give general and specific written notice to employees/dependents as required.
3. The employee or dependent will give proper written notice to the District when a dependent qualifies for coverage.
4. The employee/dependent continuing coverage is responsible for the premium.

COBRA provisions that affect group health plans will be coordinated with Medicare coverage as per existing or modified law. Previous to COBRA, patients were not charged for medical care provided by the Veterans Administration and Military Hospitals. Thus, coverage under group health plans was excluded. With the new law, group health plans must reimburse the Federal government for VA/Military Hospital care. Such reimbursement will be made only to the extent permitted by the plan.

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