



POLICY TITLE: COBRA and Other Continuation Rights

POLICY NO.: EB-5

I. PURPOSE

The purpose of this Policy is to establish guidelines for the County's compliance with the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) which gives employees and their qualified beneficiaries the opportunity to continue benefit coverage under the employer's medical plans, dental plans, vision plans, and flexible spending accounts when a "qualifying event" (exemplified below) would normally result in the loss of eligibility.

II. QUALIFYING EVENT

The following is a list of non-exhaustive common examples of qualifying events:

- A. Termination of employment;
- B. Death of an employee;
- C. Reduction in work hours;
- D. Divorce;
- E. Retirement (if ineligible for retiree medical insurance);
- F. Loss of eligibility by a dependent child.

III. LENGTH OF COVERAGE

Coverage may continue for differing lengths of time depending on the reason for eligibility. The time limitations are as follows:

- A. Up to eighteen (18) months if loss of coverage is due to termination of employment or reduction in work hours;
- B. Up to thirty-six (36) months for dependents if loss of coverage is due to death, divorce, or a dependent child's loss of eligibility;
- C. Up to twenty-nine (29) months if the individual is disabled at the time of eligibility for continued coverage or is disabled within sixty (60) days of eligibility for continued coverage.

IV. COST OF COVERAGE

Under extended coverage, the eligible individual pays full cost of coverage at the employer's group rate plus an administrative fee.

V. TERMINATION OF COVERAGE

Continued coverage may terminate under the following conditions:

- A. The eligible individual becomes covered by another group plan, including Medicare;
- B. The eligible individual fails to pay the required premium within the established grace period; or
- C. The employer no longer offers the plan(s) to its active employees.

VI. EMPLOYEE RESPONSIBILITY

- A. The County makes every effort to comply with the guidelines regarding an employee's and qualified dependent's rights under COBRA. Under certain circumstances such as divorce and dependent eligibility, the employee is responsible for advising the Department of Health and Human Services of such circumstances so that the extended coverage may be offered to the employee's dependent(s).
- B. If an employee becomes eligible for COBRA, the employee will receive the relevant forms and information from the Department of Health and Human Services. Questions and requests for information should be directed to the Department of Health and Human Services.

