



BARSTOW

COMMUNITY COLLEGE

TO: Covered Employees and Qualified Spouses and Dependents

FROM: Human Resources

SUBJECT: GENERAL NOTICE OF RIGHTS UNDER COBRA

The District is required under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), to provide covered employees, spouses and dependents (if any) with the enclosed notice. This notice outlines covered employees and dependent(s) rights, options, and notification responsibilities under COBRA, should you or your covered dependents ever lose district sponsored group coverage due to certain qualifying events. Information regarding those qualifying events under COBRA is contained in the attached notice. **Please read the notice carefully.** It is important that individuals covered under the plan read the notice and understand their COBRA rights and notification responsibilities.

If you or your dependent/child loses coverage under any of our group health plans because of a *qualifying event*, then you may have the right to elect continuation coverage. This continuation coverage is sometimes called COBRA coverage. This notice has important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. **This notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect your right to get it.** When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

Who May Elect Continuation Coverage?

An employee, spouse or dependent child who has coverage under our group health plan on the day before a qualifying event may elect continuation coverage. An employee may also elect continuation coverage for children born or adopted by the employee during the continuation period.

For families that lose coverage, each family member can separately elect continuation coverage. However, unless otherwise specified, an employee's election to continue coverage will be deemed to include an election of continuation for the employee's spouse and dependent children. Similarly, a spouse's election to continue coverage will be deemed to include an election of continuation for any dependent child covered by the plan.

Although an employee and spouse can continue coverage on behalf of other family members, they cannot decline coverage on behalf of other family members. For

example, if an employee declines continuation coverage, the spouse or dependent child can elect to continue their coverage.

What Is a Qualifying Event?

A *qualifying event* occurs when you or a dependent child lose coverage under Human Resources' health plans because:

- A covered employee dies.
- A covered employee terminates employment for any reason other than gross misconduct or has a reduction in hours to fewer than the number required for plan participation.
- A covered employee becomes divorced or legally separated from his spouse.
- A covered employee becomes covered by Medicare.
- A covered child loses dependent status under a plan.

What Is Continuation Coverage?

If you or your dependent experiences a qualifying event, you may continue the health coverage you had immediately before the event occurred.

If you continue coverage, you will not have to provide proof of insurability in order to continue coverage, and during open enrollment periods, you will have the same rights as active employees to change your coverage.

Do I Have to Notify Human Resources of Any Qualifying Events?

Employees or their families must notify Human Resources in the event of a divorce, legal separation, or when a child no longer qualifies as a covered dependent under the plan within 60 days after these events occur or, if later, within 60 days of the date coverage would otherwise terminate. For other qualifying events, The Human Resources Office will notify you.

Individuals failing to notify Human Resources of these events within the 60-day period will not be permitted to continue coverage.

How Do I Elect Continuation Coverage?

If you and/or a dependent child have a qualifying event, we will send you a notice of your continuation rights. At that time, you will have up to 60 days to decide whether you want to continue the health coverage through Human Resources' plan. This election period will end 60 days from the later of the following two dates:

- The date coverage would otherwise terminate.
- The date Human Resources notifies you of your continuation rights.

How Long Can I Continue Coverage?

In general, you can continue coverage for up to 18 or 36 months, depending on the qualifying event.

If the qualifying event is employment termination or reduction in hours, the maximum period of time you can continue coverage is 18 months from the date of the qualifying event. For other qualifying events, the maximum period is 36 months. However, if the employee is covered by Medicare prior to the time of the termination or reduction, the period of coverage for the spouse and dependents will end after 18 months or, if greater, 36 months from the date the employee became covered by Medicare.

Can I Have More Than One Qualifying Event?

Sometimes, a spouse or dependent child can have more than one qualifying event. A second qualifying event occurs if the following three conditions are met:

- The first event is the employee's employment termination or reduction in hours.
- The second event is a sort that gives rise to 36 months of continuation coverage (e.g., a covered employee's death or divorce).
- The second event takes place while continuation coverage is in effect.

If the second qualifying event occurs, we will extend the maximum coverage period from 18 months to 36 months, measured from the date of the first qualifying event. A qualified beneficiary is not entitled to more than 36 months of continuation coverage.

Can Human Resources Terminate My Continuation Coverage Before the Maximum Coverage Period Ends?

Human Resources can terminate your continuation coverage before the maximum coverage period ends for any of the following reasons:

- Payment for continuation coverage is not received on a timely basis.
- After electing continuation coverage, you become covered by another group health plan maintained by another employer that does not limit or exclude your coverage for any preexisting medical condition.
- After electing continuation coverage, you become covered by Medicare.
- Human Resources ceases to provide group health plan coverage for all active employees.
- For cause, such as submission of a fraudulent claim.

Do I Have to Pay for My Continuation Coverage?

You must pay the full cost of continuation coverage, plus 2 percent for Human Resources' administrative expenses.

We will include information on the cost of continuation coverage and the payment terms in notices to individuals who have a qualifying event.

Do Special Provisions Apply to the Disabled?

If the Social Security Administration determines that you were disabled at any time during the first 60 days of continuation coverage, you can request an extension in the maximum coverage period from 18 to 29 months. This extension applies not only to the disabled individual, but also to covered family members.

To obtain this extended coverage, you must notify Human Resources within 60 days of Social Security's disability determination and 18 months of the qualifying event.

If you receive this extended coverage, you must pay 102 percent of the full cost of the continuation coverage for the first 18 months. After 18 months, the required payments will increase from 102 percent to 150 percent of the full cost of coverage if the disabled individual elects the extended coverage. Otherwise, the required payments will remain at 102 percent.

If you receive the extended coverage, you are required by law to notify Human Resources that you are no longer disabled within 30 days of any such determination made by Social Security. Once notified, your extended coverage will be terminated effective the first month beginning more than 30 days after Social Security's determination.

Who Can I Contact If I Have Questions About Continuation Coverage?

If you have any questions about continuation coverage, please contact Tonia Watkins in the Human Resources office at (760) 252-2411, Ext. 7232.