



NOTICE OF CONTINUATION OF COVERAGE RIGHTS (COBRA)

The right to COBRA coverage was created by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA coverage may become available to you and your family members when you would otherwise lose your health care coverage.

This notice contains important information about your right to continue your health care coverage with University of Utah Health Plans, as well as other health coverage alternatives that may be available to you through the Health Insurance Marketplace.

There may be other coverage options for you and your family. You may qualify for a special enrollment opportunity for another group health plan for which you are eligible, even if the plan generally does not accept late enrollees, if you request enrollment within 30 days. Effective January 1, 2014, you'll be able to buy coverage through the Health Insurance Marketplace. You could be eligible for a new kind of tax credit that lowers your monthly premiums right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Being eligible for COBRA does not limit your eligibility for coverage or a tax credit through the Marketplace.

Qualifying Events: "Qualifying Events" are certain events that cause an individual to lose health care coverage.

Qualifying Events that trigger your right to COBRA coverage are:

- Voluntary or involuntary termination of the covered employee's employment for reasons other than "gross misconduct";
- Reduced hours of work for the covered employee, resulting in ineligibility for health coverage;
- Divorce or legal separation of the covered employee;
- Death of the covered employee;
- Loss of status as an "eligible dependent child" under plan rules;
- The covered employee becomes entitled to Medicare, resulting in ineligibility for coverage; or
- The employer files a Chapter 11 bankruptcy (only applicable to retired employees and their dependents covered under a retiree medical program).

Your Qualifying Event determines your notice requirements and the amount of time you may retain COBRA coverage.

When and How You Must Give Notice: You, your spouse, or dependent child must notify University of Utah Health Plans within 60 days of one of the following events: Divorce or legal separation, Child losing dependent status, You experience a second qualifying event, Disability determination by the Social Security Administration.

To provide this notice, you may complete the Health Care Coverage Change Form available on the internet at uhealthplan.utah.edu. The written notice must provide the individual's name and current mailing address, the specific Qualifying Event and the date of the Qualifying Event. If written notice is not provided to us within **60 days** after the date of the Qualifying Event, all rights of that individual to elect COBRA coverage will be lost. The Plan is required to provide notice to you and/or your enrolled dependents of the right to elect COBRA coverage due to any of the other Qualifying Events.

Qualified Beneficiaries: Each Individual who was covered under the Plan on the day before the Qualifying Event is a "Qualified Beneficiary" and has an independent right to purchase COBRA coverage. An exception to this rule applies if coverage is reduced or eliminated in anticipation of a Qualifying Event. COBRA coverage may still be available to a spouse or dependent child who has been dropped from coverage in anticipation of divorce or legal separation. In this case, COBRA coverage will be effective upon the date of divorce or separation, not the date that coverage was terminated, and will only be available provided that, but for the lost coverage, the spouse or dependent child would otherwise have been eligible. Qualified Dependent includes the covered employee, employee's spouse, and dependent child or children.

Individual Election Rights: Each Qualified Beneficiary can elect COBRA coverage independently, even if the covered employee chooses not to elect COBRA coverage. The Plan Administrator may terminate your COBRA coverage retroactively if you are determined to have been ineligible for coverage.

Length of COBRA Coverage: The length of COBRA coverage offered *depends* on your Qualifying Event. If the Qualifying Event is termination of employment or a reduction of work hours, Qualified Beneficiaries may continue COBRA coverage for *18 months*. If the Qualifying Event is death of the covered employee, divorce or legal separation, or loss of dependent status, COBRA coverage is available for *36 months*. If a Qualified Beneficiary is determined to have been disabled on the date of the Qualifying Event or during the first 60 days of COBRA coverage, additional coverage may be available (see Social Security Disability below).

Social Security Disability: If your Qualifying Event is termination of employment or reduction in hours and you are determined by the Social Security Administration to have been disabled on the date of the Qualifying Event or during the first 60 days of COBRA coverage, you and/or your enrolled dependents may obtain an extension of coverage from 18 months to 29 months. It is your responsibility to obtain the disability determination from the Social Security Administration and to provide a copy of the determination within 60 days of the date the determination is made and before the end of the original 18-month COBRA period. If you do not notify the Benefits Department and provide the determination within these time frames, you will not be eligible for the 11-month extension of COBRA coverage. If coverage is extended for an additional 11 months due to Social Security disability, your COBRA premiums will be adjusted to 150% of the full cost during the extended 11-month coverage period. It is also your responsibility to provide a written notice to the Benefits Department within 30 days if a final determination is made that you are no longer disabled.

Electing Coverage: Qualified Beneficiaries have 60 days from the date of the Qualifying Event or if later, from the date of the notice offering COBRA, to elect COBRA coverage. (You are not eligible to elect COBRA coverage if you, your spouse, or dependent child failed to notify University of Utah Health Plans of a divorce, legal separation or a child losing dependent status within 60 days of the event.) If neither you nor your spouse or dependent child(ren) elect COBRA coverage during the applicable election period, your health care coverage will end according to the terms of the Plan. The Plan will not pay claims for services provided on and after the date coverage ends and you, your spouse and your dependents will have no right to elect COBRA coverage at a later date.

Premium Payments: If you elect COBRA coverage, you will be responsible to pay the full cost of coverage plus a 2% administration fee. The COBRA premiums, including this fee, will be listed on your "Notice of Right to Elect Continuation Coverage (COBRA)." Premium Bills will be provided for premium payments; however, in the event you do not receive bills, you are responsible for remitting payments timely to avoid termination of coverage.

Initial Payment: Payment must be received by University of Utah Health Plans within 45 days of the date you elect COBRA coverage. Your first premium payment will include premiums due retroactive to the date you lost coverage as a result of your Qualifying Event. If your first payment is not received timely, COBRA coverage will not be effective and you will lose all rights to COBRA coverage.

Subsequent Payments: Payment for each subsequent period is due on the first day of each month. You will have a 30-day grace period from the premium due date to make subsequent payments. If COBRA premiums are not paid within the grace period, coverage will terminate as of the end of the last period for which payment was received in full and you will lose all further rights to COBRA coverage.

Second Qualifying Event: Qualified Beneficiaries, other than the employee, who enrolled in COBRA coverage as a result of the employee's termination of employment or reduction of work hours, who experience another Qualifying Event (divorce, legal separation, death of the covered employee, Medicare entitlement, or loss of dependent status), may extend COBRA coverage beyond 18 months (or 29 months if there has been a disability extension) to 36 months. You must provide a written notice to the University Benefits Department within 60 days of the second Qualifying Event and during the original 18-month COBRA coverage period (or 29-month period if there has been a disability extension) in order to extend COBRA coverage to 36 months. The written notice must provide the individual's name and current mailing address, the specific Qualifying Event and the date the event occurred. COBRA coverage will never extend beyond 36 months of the date of the original Qualifying Event.

Changes in COBRA Coverage: You will have the same rights to enroll dependents and change elections with respect to the University Health Care Plan as active employees of the University. Changes to coverage may be made during the University's Open Enrollment period each year.

Newborns and Adoptees: A child who is born to or placed for adoption while you are enrolled in COBRA coverage can be added to your COBRA coverage upon proper notification (Health Care Coverage Change Form or written notice) of the birth or placement. Notification must be received within 3 months of the date of birth or placement (if notification is not received within 3 months of the date of birth or placement, you will not be able to add the child to your coverage until the next Open Enrollment period). The child will not have an independent right to purchase COBRA coverage. The child's COBRA coverage will terminate when your COBRA coverage terminates, unless you terminate his/her coverage voluntarily at an earlier date.

Flexible Spending Accounts: If you were enrolled in a Health Flexible Spending Account at the time of your Qualifying Event and would like to retain access to any fund balance in your account, please contact the Benefits Department to obtain additional information. You may be allowed to continue participation in the Flexible Benefit Plan through the end of the plan year in which the Qualifying Event occurred. If you fail to make payment, your participation in the Flexible Benefit Plan will terminate and expenses incurred after the termination date will not be eligible for reimbursement.

Financial Aid: Some states offer financial aid to help certain individuals pay for COBRA coverage. Contact your appropriate state agency regarding availability and eligibility requirements.

Termination of COBRA Coverage: Your COBRA coverage will end for you and/or your enrolled dependents if any of the following occurs:

- The required premium payments are not paid within the timeframe allowed;
- You notify the COBRA administrator that you wish to cancel your coverage;
- The applicable period of COBRA coverage ends;
- You become entitled to Medicare benefits (under Part A, Part B, or both);
- The date you reach the Lifetime Maximum Benefit under the Plan;
- The University terminates its group health plan(s);
- You have extended COBRA coverage due to Social Security disability and a final determination is made that you are no longer disabled, coverage for all who had qualified for the disability extension will end as of the later of:
 - the last day of 18 months of continuation coverage, or
 - the first day of the month that is more than 30 days following the date of the final determination of the nondisability;
- After the date of your COBRA election, you become covered under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary (note: there are limitations on plans' imposing a pre-existing condition exclusion and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act). ; or
- An event occurs that permits termination of coverage under the University Health Care Plan for an individual covered other than pursuant to COBRA (e.g., submitting fraudulent claims).

Questions, Notices and Address Changes: This notice does not fully describe COBRA coverage. For additional information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description or contact University of Utah Health Plans. If you divorce or legally separate or lose eligibility as a dependent child under the plan, you must provide the required written notice at the address below within **60 days**.

For more information about your rights and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at www.dol.gov/ebsa or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through a Health Insurance Marketplace, visit www.healthcare.gov.

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