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## **COBRA Continuation Coverage Rights**

### ***Introduction***

You are receiving this notice because you have recently become covered under the University of Colorado Health and Welfare Plan (CU Health Plan). This Plan has four group health components: Medical, Health Flexible Spending Account (FSA), Vision, and Dental. You may be enrolled in one, two, three or all of these components.

**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.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and other members of your family when group health coverage would otherwise end. For more information about your rights and obligations under the Plan and under federal law, you should review your Benefit Booklet(s) and the University of Colorado Health and Welfare Plan documents or contact the Plan Administrator. This notice also provides information about benefit continuation coverage offered through your Employer for your dependents who are ineligible for COBRA, but are dependents on your Plan. Please see "Continuation Coverage" at the end of this notice for information about this Employer-offered benefit.

**You may have other options available to you when you lose group health coverage.** For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

### **What is COBRA continuation coverage?**

COBRA continuation coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you're an employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you're the spouse of an employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because of the following qualifying events:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the Plan as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to the University of Colorado and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary. The retired employee's spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

### **When is COBRA continuation coverage available?**

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the COBRA Administrator has been notified that a qualifying event has occurred. Your Employer must notify the COBRA Administrator of the following qualifying events:

- The end of employment or reduction of hours of employment;
- Death of the employee;
- Commencement of a proceeding in bankruptcy with respect to the Employer; or

- The employee's becoming entitled to Medicare benefits (under Part A, Part B, or both).

**For all other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify your Employer within 60 days after the qualifying event occurs. In providing this notice, you must follow the notice procedures specified in the "Notice Procedures" section of this notice.**

#### **Health FSA Component**

COBRA coverage under the Health FSA will be offered only to qualified beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an underspent account if the annual limit elected by the covered employee, reduced by the reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premiums for Health FSA COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the Health FSA coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by reimbursable claims submitted up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and COBRA coverage will terminate at the end of the plan year. Unless otherwise elected, all qualified beneficiaries who were covered under the Health FSA will be covered together for Health FSA COBRA coverage.

#### **How is COBRA continuation coverage provided?**

Once the COBRA Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage that generally lasts for 18 months due to employment termination or reduction of hours of work. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.

There are also ways in which this 18-month period of COBRA continuation coverage can be extended:

#### ***Disability extension of 18-month period of COBRA continuation coverage***

If you or anyone in your family covered under the Plan is determined by Social Security or the Public Employees' Retirement Association (PERA) Disability Program Administrator to be disabled and you notify the COBRA Administrator in a timely fashion, you and your entire family may be entitled to get up to an additional 11 months of COBRA continuation coverage, for a maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage.

**The disability extension is available only if you notify your COBRA Administrator in writing of the Social Security Administration's or the PERA Disability Program Administrator's determination of disability within 60 days after the latest of:**

- the date of the Social Security Administration's/PERA's disability determination;
- the date of the covered employee's termination of employment or reduction of hours; and
- the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination of employment or reduction of hours.

**You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension. In providing this notice, you must follow the notice procedures specified in the "Notice Procedures" section of this notice.**

#### ***Second qualifying event extension of 18-month period of continuation coverage***

If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if the Plan is properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children getting COBRA continuation coverage if the employee or former employee dies; becomes entitled to Medicare benefits (under Part A, Part B, or both); gets divorced or legally separated; or if the dependent child stops being eligible under the Plan as a dependent child. This extension is only available if the second

qualifying event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

### **Are there other coverage options besides COBRA Continuation Coverage?**

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

### **Notice Procedures**

**Warning: If your notice is late or if you do not follow these notice procedures, you and all related qualified beneficiaries will lose the right to elect COBRA (or will lose the right to an extension of COBRA coverage, as applicable).**

### **Notices Must Be Written and Submitted to the COBRA Administrator:**

Any notice that you provide must be in writing and must be submitted to your COBRA Administrator. Oral notice, including notice by telephone, is not acceptable.

### **How, When, and Where to Send Notices:**

Please see the Plan Contact Information section (below) for information on how and where to send notices.

However, if a different address for notices to a Plan appears in the Plan's most recent Benefit Booklet, you must mail or hand deliver your notice to that address (if you do not have a copy of a Plan's most recent summary plan description, you may request one from your COBRA Administrator).

If mailed, your notice must be postmarked no later than the last day of the applicable notice period. If hand delivered, your notice must be received by the individual at the address specified above no later than the last day of the applicable notice period. (The applicable notice periods are described in the paragraphs above entitled "When is COBRA continuation coverage available?", "Disability extension of 18-month period of COBRA continuation coverage", and "Second qualifying event extension of 18-month period of continuation coverage.")

### **Information Required for All Notices:**

Any notice you provide must include: (1) the name of the Plan; (2) the name and address of the employee who is (or was) covered under the Plan(s); (3) the name(s) and address(es) of all qualified beneficiary(ies) who lost coverage as a result of the qualifying event; (4) the qualifying event and the date it happened; and (5) the certification, signature, name, address, and telephone number of the person providing the notice.

### **Additional Information Required for Notice of Qualifying Event:**

If the qualifying event is a divorce or legal separation, your notice must include a copy of the decree of divorce or legal separation. If your coverage is reduced or eliminated and later a divorce or legal separation occurs, and if you are notifying your Employer and COBRA Administrator that your Plan coverage was reduced or eliminated in anticipation of the divorce or legal separation, your notice must include evidence satisfactory to your Employer and COBRA Administrator that your coverage was reduced or eliminated in anticipation of the divorce or legal separation.

### **Additional Information Required for Notice of Disability:**

Any notice of disability that you provide must include: (1) the name and address of the disabled qualified beneficiary; (2) the date that the qualified beneficiary became disabled; (3) the names and addresses of all qualified beneficiaries who are still receiving COBRA coverage; (4) the date that the Social Security Administration/PERA Disability Program Administrator made its determination; (5) a copy of the Social Security Administration's/PERA's determination; and (6) a statement whether the Social Security Administration/PERA has subsequently determined that the disabled qualified beneficiary is no longer disabled.

### **Additional Information Required for Notice of Second Qualifying Event:**

Any notice of a second qualifying event that you provide must include: (1) the names and addresses of all qualified beneficiaries who are still receiving COBRA coverage; (2) the second qualifying event and the date that it happened; and (3) if the second qualifying event is a divorce or legal separation, a copy of the decree of divorce or legal separation.

### **Who May Provide Notices:**

The covered employee (i.e., the employee or former employee who is or was covered under the Plan), a qualified beneficiary who lost coverage due to the qualifying event described in the notice, or a representative acting on behalf of either may provide notices. A notice provided by any of

these individuals will satisfy any responsibility to provide notice on behalf of all qualified beneficiaries who lost coverage due to the qualifying event described in the notice.

### **Continuation of Coverage**

You may have dependents covered by your CU Health Plan(s) that do not meet the COBRA definition of “qualified beneficiaries” and therefore are not eligible for COBRA coverage. These non-COBRA qualified beneficiaries may include your partner in a civil union, SGDP, and their children. These dependents are still eligible for COBRA-like coverage, however this continued coverage is offered by your Employer and is not a right under COBRA. This Continuation of Coverage functions like COBRA and is subject to the same time periods and requirements as COBRA, however this continuation of coverage cannot be extended due to disability. To utilize this Continuation of Coverage for your non-COBRA qualified dependents, follow the same procedures outlined above for COBRA continuation of coverage. Please contact your Employer or COBRA Administrator with any questions regarding Continuation of Coverage.

### **If you have questions**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) in your area or visit [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA’s website.) For more information about the Marketplace, visit [www.HealthCare.gov](http://www.HealthCare.gov).

### **Keep your Plan informed of address changes**

To protect your family’s rights, let your Employer and the COBRA Administrator know about any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your Employer and the COBRA Administrator.

### **Plan Contact Information**

You may obtain information about the Plans and COBRA coverage on request from the COBRA Administrator:

ASI COBRA  
P.O. Box 657  
Columbia, MO 65205  
Phone: 1-877-388-8331  
Fax: 1-573-499-1840

This contact information for the Plan(s) may change from time to time. The most recent information will be included in the Plans’ most recent Benefits Booklet. If you do not have a copy, you may request one from your COBRA Administrator.