

SDCRAA HUMAN RESOURCES STANDARDS AND PROCEDURES

Section:	Terminations
Standard:	COBRA
Section #:	F-4
Effective:	July 29, 2008

See Also:	Terminations (All); Reduction in Force; Benefits Coverage and Eligibility
-----------	---

GENERAL STANDARD

The Authority provides employees and/or covered dependents an opportunity to continue their group health coverage on a temporary basis beyond the date where coverage otherwise would have ended and in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) and applicable state law.

DEFINITION

A qualifying event is an event, which results in the loss of group health care for individuals covered under a group health plan. Loss of coverage must be due to:

- Termination of employment, except for gross misconduct;
- Reduction in hours to part-time status;
- Death of the employee;
- Divorce or legal separation;
- Loss of dependent status; or
- Entitlement of employee to Medicare coverage.

SPECIFIC STANDARDS

Employees and/or their qualified dependents have the right to continue health insurance coverage under certain specified conditions if covered under an Authority group health plan.

Eligibility for continuation coverage begins when a *qualifying event* occurs.

COBRA coverage generally may be continued for the following time periods or as otherwise required by law:

18 months, if the qualifying event is:

- Termination of employment;
- Reduction in hours to part-time.

36 months, if the qualifying event is:

- Death of an employee (dependent coverage);
- Divorce or legal separation;
- Loss of dependent status.

29 months, in the event an employee or eligible dependent was disabled in accordance with the terms of the Social Security Act on the date employment was terminated (or work hours were reduced to part-time).

Contact a Human Resources Department representative for additional information on COBRA benefits and eligibility.

PROCEDURES

When a divorce, legal separation, or loss of dependent status occurs, the employee is responsible for informing a representative of the Human Resources Department as soon as possible to ensure benefits continuation is arranged, if applicable.

If the manager is aware of an employee's qualifying event, the manager is obligated to inform the Human Resources staff or request the employee to do so.

The Human Resources staff will provide benefits continuation information to the affected person within 14 days of notification.

Important follow-up: The eligible person will have 60 days following the date the Human Resources Department representative mails the notification to respond to the COBRA administrator. If a response is not received within 60 days, the person is no longer eligible for continuation of group health insurance.

Enrollment information provided through the Human Resources Department will consist of all information necessary to enable the employee to continue his/her benefits.

Note: All new employees who are eligible to participate in the Authority's health care plan(s) will be notified of their COBRA rights via US Mail by the COBRA Administrator.