

## **Continuation Coverage Rights Under COBRA**

If you have and/or will become covered under the Bowling Green State University (BGSU) Group Insurance Plan (the Plan) it is important to know your COBRA rights. The Plan sponsors two medical plans, including prescription drug and dental coverage, a vision plan and a Health FSA. You may be enrolled in one of the medical/prescription drug/dental plans, the vision plan or the Health FSA plan.

The right to COBRA Continuation Coverage was created by federal law, the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). COBRA coverage can become available to you, to your spouse and dependent child(ren) if they are covered under the Plan, and if you or they would otherwise lose their group health coverage under the Plan. This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of group health coverage under the Plan under certain circumstances when coverage would otherwise end. This notice generally explains COBRA coverage, when it may become available to you and your dependents, and what you need to do to protect the right to receive it.

This notice only gives a summary of your COBRA continuation rights. For further information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description (SPD) or contact the plan administrator at the BGSU Office of Human Resources.

Cobra Plan Administrator Office of Human Resources Bowling Green State University

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Bowling Green, OH 43403

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## What is COBRA Continuation Coverage:

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of an occurrence of a “qualifying event”. Specific qualifying events are detailed later in this notice. After a qualifying event occurs and any required notice of that event is properly provided to the Office of Human Resources, COBRA coverage will be offered to each person losing Plan coverage who is a “qualified beneficiary”. You, your spouse, and your dependent children could become qualified beneficiaries and will be entitled to elect COBRA if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA must pay for COBRA coverage.

If you are an employee, you will become a qualified beneficiary and will be entitled to elect COBRA if you lose your group health coverage under the Plan because either one of the following qualifying events happens:

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

If you are the spouse of an employee, you will become a qualified beneficiary and will be entitled to elect COBRA if you lose your group health coverage under the Plan because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse’s hours of employment are reduced;
- Your spouse’s employment ends for any reason other than his/her gross misconduct;
- You become legally separated or divorced from your spouse.

Also, if your spouse, the employee, reduces or eliminates your group health coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a qualifying event for you even though your coverage was reduced or eliminated before the divorce or separation; or

- Your spouse becomes enrolled in Medicare (Part A, Part B, or both).

Your dependent child(ren) will become qualified beneficiaries and will be entitled to elect COBRA if they lose coverage under the Plan because any of the following qualifying events happens:

- 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/her gross misconduct;
- The parents become divorced or legally separated;
- The parent-employee becomes enrolled in Medicare (Part A, Part B, or both); 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 Bowling Green State University and the bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. 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 Coverage Available:**

When the qualifying event is the end of employment, reduction of hours of employment, the death of the employee, commencement of a proceeding in bankruptcy with respect to the Bowling Green State University, or the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the Office of Human Resources will offer COBRA coverage to qualified beneficiaries. It is not necessary for you to notify the Office of Human Resources if these three qualifying events occur.

However, for other qualifying events such as divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child, a COBRA election will be available to you only if you notify the Office of Human Resources in writing within 60 days after the later of the date of the qualifying event and the date on which the qualified beneficiary loses coverage under the terms of the Plan as a result of the qualifying event.

#### Duration of COBRA Coverage:

Once the Office of Human Resources 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 coverage is a temporary continuation of coverage. When the qualifying event is death of the employee, the covered employee's divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA coverage can last for up to 36 months. However, COBRA coverage under the health FSA component, if elected, can last only until the end of the year in which the qualifying event occurred. (Please refer to Health FSA Component paragraph on Page 5 of this notice.)

If the qualifying event is a result of the end of employment or reduction of the employee's hours of employment and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA coverage for qualified beneficiaries (other than the employee) who lose coverage as a result of the qualifying event can last up to 36 months after the date of Medicare entitlement. Example:

If a covered employee becomes entitled to Medicare eight months before the date on which his employment terminates, COBRA coverage under the Plan's medical/prescription drug/dental components for his/her spouse and children who lost coverage as a result of his/her termination can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus eight months). This COBRA period is available only if the covered employee becomes entitled to Medicare within 18 months before the termination or reduction of hours. However, COBRA coverage under the Health FSA component if elected, can last only until the end of the year in which the qualifying event occurred.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA coverage generally can last for up to a total of 18 months.

The COBRA coverage periods described above are maximum coverage periods. However, COBRA coverage can end before the end of the maximum coverage periods described in this notice for several reasons, which are described in the Plan's SPD.

There are two ways in which COBRA coverage resulting from a termination of employment or a reduction of hours can be extended. (The period of COBRA coverage under the health FSA component cannot be extended under any circumstances.)

#### Disability Extension of COBRA:

An 18-month period of continuation coverage may be extended for up to 11 months (for a total of 29 months of continuation coverage), if you or anyone in your family covered under the Plan is determined by the Social Security Administration (SSA) to be disabled. The disability has to have started at some time before the 61st day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. The disability extension is available only if you notify the Office of Human Resources in writing of the SSA's determination of disability within 60 days after the latest of:

- The date of the SSA's disability determination;
- The date of the covered employee's termination of employment or reduction of hours;  
or,
- The date on which the qualified beneficiary loses 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.

## Second Qualifying Event Extension of COBRA Coverage:

If a second qualifying event occurs within the 18-month or 29-month coverage period, the maximum coverage period becomes 36 months from the date of the initial termination or reduction in hours.

If your dependents experience another qualifying event while receiving COBRA continuation coverage, the spouse and dependent children in your family can get additional months of COBRA continuation coverage, up to a maximum of 36 months if notice of the second qualifying event is properly given to the Office of Human Resources. This extension may be available to the spouse and any dependent children receiving COBRA coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan, had the first qualifying event not occurred.

This extension due to a second qualifying event is available only if you notify the Office of Human Resources in writing of the second qualifying event within 60 days after the later of the date of the second qualifying event; and the date on which the qualified beneficiary would lose coverage under the terms of the Plan as a result of the second qualifying event, if it had occurred, while the qualified beneficiary was still covered under the Plan.

## Health FSA Component:

COBRA coverage under the health FSA will be offered only to qualified beneficiaries losing coverage who have under-spent accounts. A qualified beneficiary has an under spent account if the annual limit elected by the covered employee, reduced by reimbursements up to the time of the qualifying event, is equal to or more than the amount of 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 expenses reimbursed 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 health FSA 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. However, each beneficiary has separate election rights and could alternatively elect separate COBRA coverage to cover that beneficiary only, with a separate health FSA annual limit and a separate premium. If you are interested in this alternative, contact the Office of Human Resources for more information.

#### Other Individuals Who May be Qualified Beneficiaries:

If, during the period of continuation coverage, a child is born to the covered employee, or is placed for adoption with the covered employee, the child is considered a qualified beneficiary and will be treated like all other COBRA-qualified beneficiaries with respect to the same qualifying event. The maximum coverage period for such a child is measured from the same date as for other qualified beneficiaries with respect to the same qualifying event (and NOT from the date of the child's birth or placement for adoption). The covered employee or guardian has the right to elect continuation coverage for the child, provided the child satisfies the applicable plan eligibility requirements. The Office of Human Resources must be notified within 30 days of the birth or placement to enroll the child on COBRA.

A child of the covered employee who is receiving benefits under the Plan pursuant to a Qualified Medical Child Support Order (QMCSO) received by the Office of Human Resources during the covered employee's period of employment with the employer is entitled to the same rights under COBRA as a dependent child of the covered employee, regardless of whether that child would otherwise be considered a dependent.

#### If You Have Questions:

Questions concerning your Plan or your COBRA rights should be addressed to the contact identified on the first page of this notice. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, you may contact the nearest Regional or District Office of the U. S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone number of Regional and District EBSA Offices are available through EBSA's website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

#### Keep Your Employer Informed of Address Changes:

In order to protect your rights as well as your dependent's rights, you should keep the Office of Human Resources informed of any changes in the address that may occur on behalf of you and/or your family members. You should also keep a copy, for your records, of any notices you send to the Office of Human Resources.

#### Plan Contact Information:

You may obtain information about the Plan and COBRA coverage on request from the Office of Human Resources.