

OGDEN-WEBER TECHNICAL COLLEGE	Number 520.45	Effective Date 11/19/98 Revised 11/24/08 6/14/16	Page 1 of 1
POLICY	Approval		
Title COBRA HEALTH CARE CONTINUATION PROGRAM			

1. PURPOSE AND SCOPE

The purpose of the policy is to provide a procedure for the continuation of health care coverage for eligible employees and/or spouses and dependents.

2. POLICY

2.1 It is the policy of the College to offer continuation of health care coverage for eligible employees and/or their dependents and spouse due to termination of employment, reduction in hours, death, divorce or legal separation, entitlement to Medicare, or a child's loss of dependent status in accordance with government regulations and notices.

2.2 The continuation program shall comply with current government regulations relating to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

3. DEFINITIONS

3.1 Eligible Employee: Salaried employees receiving full College benefits.

3.2 Qualifying Event: An incident (under situations as noted above) which occurs, making an individual eligible for COBRA coverage.

3.3 Continuee: A qualified person receiving continuing health coverage benefits through COBRA.

4. REFERENCES

- Ogden-Weber Technical College Personnel Classifications policy (#520.5)
- Ogden-Weber Technical College Employee Benefits Eligibility policy (#520.19)

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1. When one of the following qualifying events occur, an employee and/or spouse and dependents may continue the same health care coverage (medical only or medical and dental) the employee carried immediately before the qualifying event:

- 1.1 Termination of employment
- 1.2 Reduction in hours
- 1.3 Death
- 1.4 Divorce or legal separation
- 1.5 Entitlement to Medicare
- 1.6 Child's loss of dependent status

2. **Maximum Periods of Coverage**

The maximum number of months a continuee may receive continued coverage is based on the type of qualifying event.

- 2.1 If the qualifying event is employment termination or a reduction in hours, the maximum period for continuation coverage is 18 months from the date of the qualifying event.
- 2.2 For other qualifying events (death, divorce or legal separation, entitlement to Medicare, or a child's loss of dependent status), the maximum period for continuation coverage is 36 months. (**NOTE:** Individuals covered by Medicare on the day before a qualifying event are not eligible to continue coverage).
- 2.3 If Social Security certifies the employee and/or spouse or dependents to be disabled at the time of employment termination or reduction in hours, the continuee may request an extension in the maximum coverage period from 18 to 29 months.

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3. Number of Qualifying Events

A spouse or dependent child can have more than one qualifying event if three conditions are met:

- 3.1 The first event is employment termination or reduction in hours.
- 3.2 A second event occurs that qualifies for 36 months of continuation coverage, e.g., employee death, divorce, legal separation or loss of child's dependent status.
- 3.3 If the second event occurs during continuation coverage, the maximum continuation coverage period shall be extended from 18 to 36 months, measured from the date of the first qualifying event.

4. Termination of Continuation Coverage Before Maximum Period of Coverage Expires

- 4.1 Coverage shall be terminated if:
 - 4.1.1 Payment of the continuee's coverage is not received on a timely basis. Payment is due by the 1st of each month, and coverage shall be discontinued if payment is not received by the 10th of the month.
 - 4.1.2 The continuee becomes covered by another group health plan that does not limit or exclude coverage for any pre-existing medical condition of the continuee.
 - 4.1.3 The continuee becomes covered by Medicare.
 - 4.1.4 The College ceases to provide group health coverage for all active employees.

5. Premium Rates for Continuation Coverage

- 5.1 Continuees shall be charged 100 percent of the current group premium plus a two percent administration fee for continued coverage.

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5.2 Continuees who become Social Security disabled and receive an extension of continuation coverage to 29 months shall be charged 150 percent of the current group premium for continuation coverage beyond the first 18 months.

6. Required Notifications

6.1 The College's health/dental insurance carriers shall send separate written general notices of continuation rights to employees and their spouses and/or dependents at the time coverage initially begins under the group plan.

6.2 An employee has 60 days (measured from the date of qualifying event or, if later, the date the group insurance coverage would otherwise terminate because of the event) to notify the College's health/dental insurance carrier of the following events:

6.2.1 Divorce or legal separation.

6.2.2 Child's loss of dependent status under the terms of the group insurance program.

6.3 The health/dental insurance carrier shall send a COBRA continuation notification to qualified continuee candidates within 14 days of a qualifying event. Notification must be provided separately to the employee and the spouse and/or dependents. This notification must be sent by certified mail with a return receipt requested.

6.3.1 The candidate shall have 60 days to decide if continuation of health care coverage (medical only or medical and dental) is desired or not desired.

The election period shall end on the latest date based on the following options:

6.3.1.1 The date the coverage would otherwise terminate; or

6.3.1.2 The date the College's health/dental insurance carrier provides notice of the continuation rights via certified mail.

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6.4 If a continuee candidate is documented as being mentally or physically disabled or if the candidate is a minor child, a COBRA notice, along with a copy of the Summary Plan Description, must also be sent to the continuee candidate and one to the responsible caretaker.

6.5 Continuee candidates who are certified as being Social Security disabled at the time of employment termination or reduction in hours must notify the College's health/dental insurance carrier of the Social Security disability determination within:

- 18 months after the qualifying event; or
- 60 days of the Social Security determination.

6.5.1 If these notification requirements are met, coverage can be extended to 29 months. If these notification requirements are not met, coverage cannot be extended to 29 months.

6.5.2 A continuee with 29 months maximum coverage who is no longer disabled at Social Security's final determination must notify the College's health/dental insurance carrier within 30 days of determination.

7. Program Administration

7.1 During the health/dental insurance program open enrollment period:

7.1.1 Continuees shall have the same rights as fully active employees to change coverage.

7.1.2 Administrators of the health/dental plan that the continuee is enrolled in shall notify the continuee of the plan options 30 days prior to the new plan date.

7.1.3 All executed changes must be received by the College's health/dental insurance carrier prior to the new plan year for the change to become effective. If a new enrollment form is not received, the continuee shall remain in the existing plan for the maximum continuation period or the next open enrollment period.

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- 7.2 All expenses accumulated toward each deductible shall be credited as though the qualifying event did not take place.
- 7.3 The administrators of the health/dental plan in which the continuee is enrolled shall provide the continuee with individual billing statements.