

## OPERATIONAL SERVICES

### INSURANCE MANAGEMENT - GROUP HEALTH CONTINUATION COVERAGE (COBRA)

Continuation of Group Health Insurance Coverage may be available to District employees and their dependants under the Consolidated Omnibus Budget Reconciliation Act ("COBRA").

Generally, effective for plan years beginning on or after July 1, 1986, continuing group health coverage shall be offered to all covered employees and their beneficiaries as required by the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), who would otherwise lose such coverage because of any of the following events:

1. Termination of a covered employee's employment (for reasons other than gross misconduct) or reduction in a covered employee's hours of employment;
2. Death of a covered employee;
3. Divorce or legal separation of the covered employee;
4. Cessation of a dependent child's status as a dependent under the plan; and
5. Coverage by a covered employee under Medicare.

Under COBRA, a covered employee can elect to continue such coverage for up to 18 months if the first event listed above occurs, and a spouse or child can elect to continue such coverage for up to 36 months under any of the other applicable events. Benefits under such continuation coverage shall be the same as provided to other covered employees or beneficiaries.

A covered employee's or beneficiary's right to continuation coverage shall cease if: he or she fails to timely pay any premium or charge for coverage; the covered employee or beneficiary becomes covered under another group health plan or entitled to Medicare benefits; a former spouse remarries and becomes covered by a group health plan; or the District ceases to provide any group health plan to its employees.

The District shall give written notice of a covered employee's or spouse's rights under the continuation provisions at the time such provisions become effective with respect to the certain events (i.e., death of the covered employee, termination of employment or reduction in a covered employee's hours of employment or entitlement to Medicare benefits) as required by law. A covered employee or beneficiary shall be given at least 60 days in which to elect such continuation coverage.

LEGAL REF.: Consolidated Omnibus Budget Reconciliation Act, P.L. 99-272, 1001, 100 Stat. 222, 4980B(f) of the I.R.S. Code, 42 U.S.C. § 300bb-1, *et seq.*