

Continuation of Group Insurance Coverage

(COBRA/Continuation Coverage and Other Options)

This notice has important information about how you and/or your eligible family members may continue insurance coverage if you or they become ineligible for UC-sponsored group insurance. If you do not elect COBRA/continuation or conversion coverage after a qualifying event, coverage under UC-sponsored plans will end on the last day of the last period for which premiums were paid.

Please keep this notice with your other important benefits papers and share it with your family members as necessary.

Proof of Insurance Coverage When UC-sponsored or COBRA/continuation medical coverage ends, your medical plan should send you and/or your family member a "Certificate of Creditable Coverage" which verifies enrollment in a UC-sponsored plan. Please keep this certificate in case you need proof of insurance in the future. If you and/or your family member(s) do not receive a certificate, please call the medical plan directly to request one.

More Information, UC Publications, and Forms You can get UC publications, COBRA/continuation and benefits information, monthly premiums, insurance carrier mailing addresses, and the *COBRA/Continuation Election/Open Enrollment* form (UBEN 102), from the At Your Service website (<http://atyourservice.ucop.edu>), from the person in your department who handles benefits, or from your Benefits Office.

COBRA/Continuation Coverage

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, gives eligible UC employees, retirees, and their enrolled family members (*qualified beneficiaries*—see right) the right to temporarily continue health (medical, dental, and/or vision) coverage in situations that would ordinarily cause an individual to lose group health coverage (*qualifying events*—see page 2). For information about COBRA and the Health Care Reimbursement Account (HCRA), please contact your Benefits Office.

UC also extends continuation coverage to same-sex domestic partners and a partner's children or grandchildren and enrolled adult dependent relatives who were enrolled before January 1, 2004.

Qualified beneficiaries may elect to continue group coverage by paying the applicable monthly COBRA/continuation premiums directly to the insurance carriers. Premiums for COBRA/continuation participants are usually more expensive than for active employees and retirees; however, COBRA/continuation coverage may be less expensive or provide better benefits than an individual policy.

COBRA/continuation coverage is identical to the UC-sponsored group coverage for employees and retirees. You do not need to submit evidence of insurability for COBRA/continuation coverage. In addition, if you meet all of the eligibility requirements and submit your form and premium on time, you cannot be denied COBRA/continuation coverage.

If the UC-sponsored group coverage changes, or if there is a change in the premium rates, the COBRA/continuation coverage and premiums will change correspondingly.

Eligibility for COBRA/Continuation Coverage

Qualified Beneficiaries Only qualified beneficiaries can elect COBRA/continuation coverage. A qualified beneficiary is generally a UC employee, retiree, or family member who is eligible for and enrolled in a UC-sponsored group health plan on the day before the qualifying event.

You, your spouse, or your same-sex domestic partner may elect COBRA/continuation coverage on behalf of any other qualified beneficiary. In addition, each qualified beneficiary may elect COBRA/continuation coverage independently. For example, if you leave UC employment and do not want to continue group coverage, your eligible family members who are qualified beneficiaries may elect COBRA/continuation coverage even though you do not. A parent or legal guardian may elect COBRA/continuation coverage on behalf of an eligible minor child.

While some family members are not qualified beneficiaries and they cannot elect COBRA/continuation coverage in their own right, they may be included in coverage with a qualified beneficiary. These family members include the following:

- A spouse, a same-sex domestic partner who is added to the plan after a qualifying event, and an adult dependent relative who was enrolled before January 1, 2004.
- A dependent child who is added to the plan after a qualifying event (except for a child who is born to or adopted by the covered employee during his or her COBRA/continuation period).

For example, if you are enrolled in COBRA/continuation coverage and then you marry, your new spouse could be included on your coverage even though he or she is not a qualified beneficiary. If you discontinue your COBRA/continuation coverage, the coverage for your new spouse would also end.

Qualifying Events Qualifying events are specific situations that cause an individual to lose health coverage. The qualifying event determines the qualified beneficiaries and the maximum duration of the COBRA/continuation coverage as explained in the chart below.

Multiple Qualifying Events When multiple qualifying events occur, the COBRA/continuation period starts on the date of the earliest qualifying event. For example, if you leave UC employment, elect COBRA/continuation coverage for yourself and your spouse, and then get a divorce, your enrolled spouse may elect to continue coverage separately under the 36-month coverage maximum. However, the 36 months will start on the date of the earliest

qualifying event (termination of employment) and not with the second qualifying event (divorce).

Family and Medical Leave (FMLA)

Beginning an approved family and medical leave is *not* a COBRA/continuation qualifying event. The qualifying event occurs when your FMLA leave ends.

You may elect COBRA/continuation coverage even if your UC-sponsored group health coverage lapsed during your FMLA leave. You are not required to pay premiums for the FMLA period in order to elect COBRA/continuation coverage.

Maximum COBRA/Continuation Period

The COBRA/continuation coverage period includes, and is not in addition to, any continuation provisions under UC's Group Insurance Regulations. For example, if you are a UC employee who is temporarily laid off, you may continue your UC-sponsored medical plan for up to four months. The maximum 18-month period of COBRA/continuation coverage would *include* these four months; COBRA/continuation coverage would be available for an additional 14 months after the UC coverage stops. The maximum duration of your COBRA/continuation coverage may be longer if you are disabled (see below).

Monthly cost: COBRA/continuation premiums for the 18-month and 36-month continuation periods are up to 102 percent of the corresponding group rate.

Disabled COBRA Qualified Beneficiaries

If you (or a family member) are disabled, you and they may be eligible to extend the maximum period of COBRA/continuation coverage if the following conditions are met:

- The Social Security Administration must determine that you (or a family member) are disabled for purposes of Social Security disability benefits or Supplemental Security Income benefits; and

Qualifying Event	Qualified Beneficiaries	Maximum COBRA/Continuation Period
Voluntary or involuntary termination of employment (for reasons other than "gross misconduct") OR Reduction in time worked (including leave without pay or layoff)	Employee and enrolled eligible family members	18 months ¹
Divorce, legal separation, or annulment from the employee or retiree	Enrolled eligible spouse and children	36 months
Loss of eligibility under UC's Group Insurance Regulations for a same-sex domestic partner or an adult dependent relative (for example, same-sex domestic partnership ends, or adult dependent relative becomes eligible for Medicare Part A) ²	Same-sex domestic partner, children, and enrolled adult dependent relative	36 months
Death of employee or retiree	Enrolled eligible family members	36 months
Loss of dependent child status under UC's Group Insurance Regulations (for example, child marries or reaches age 23) ²	Enrolled eligible child	36 months

¹ If the covered employee becomes entitled to Medicare (due to age) within 18 months before a termination or reduction in hours, family members who are qualified beneficiaries may continue COBRA/continuation coverage for up to 36 months counted from the date of the employee's Medicare entitlement.

² See the *UC Group Insurance Eligibility Factsheet* for information about eligibility requirements.

- The disability must exist at the time you leave UC employment or reduce your work hours, or must occur during the first 60 days of your 18-month COBRA/continuation period.

If you or they meet these conditions and notice requirements, coverage for you or your disabled family member will continue for an additional 11 months after the initial 18-month period, as long as you or your disabled family member are continuously disabled. The extended coverage also applies to any nondisabled family members who are entitled to COBRA/continuation coverage, even if the disabled family member does not continue coverage.

During this extended period, coverage will end if you or your disabled family member are no longer disabled. Additionally, any event that would normally end COBRA/continuation coverage will still do so. (See “Termination of COBRA/Continuation Coverage” on page 4.) However, COBRA/continuation coverage does not end for disabled qualified beneficiaries who become entitled to Medicare due to disability.

Monthly cost: COBRA/continuation premiums for these additional months of coverage (the 19th through 29th month) are 150 percent of the corresponding group rate. If eligible family members elect COBRA/continuation coverage and the qualified beneficiary does not, the premium for the family members will be 102 percent of the corresponding group rate.

Making Coverage Changes

If you enroll in COBRA/continuation coverage, you can make changes in your coverage during a period of initial eligibility (PIE), during Open Enrollment, or if you leave a plan’s service area.

To change your COBRA/continuation coverage, you can get benefits and monthly premium information, mailing addresses, and a form from the At Your Service website or the UC Customer Service Center. You may call Customer

Electing COBRA/Continuation

You have 60 days to elect COBRA/continuation coverage for your medical, dental, and/or vision coverage. This period is measured from the date you would lose coverage as a result of the qualifying event or the date you receive notice from UC about your right to elect COBRA/continuation coverage—whichever is later.

To elect COBRA/continuation coverage, follow these steps:

1. **Obtain a *COBRA/Continuation Election/Open Enrollment form (UBEN 102)*, monthly premium information, and insurance carrier mailing addresses**, available from the At Your Service website (<http://atyourservice.ucop.edu>), from the person in your department who handles benefits, or from your Benefits Office.
2. **Review your COBRA/continuation options with your Benefits Representative and have your Benefits Representative sign the election form.** The initial COBRA/continuation election form requires a Benefits Representative’s signature *before* you send it to the insurance carrier(s).
3. **Find the appropriate one month’s premium for each type of coverage you want to continue.** UC does not contribute toward the cost of group health coverage under COBRA/continuation. You must pay the full monthly COBRA/continuation premium. The maximum COBRA/continuation premiums are set by law, and premiums are subject to change at least once a year.
4. **Mail the COBRA/continuation form and one month’s premium directly to each insurance carrier with whom you want to continue coverage. Do not mail the forms and/or premiums to UC.**

If you are on furlough or temporary layoff, UC pays the health plan premiums for up to three months. (Note that the qualifying event is the day you *begin* furlough or temporary layoff.)

If you are entitled to Medicare, call the UC Customer Service Center for Medicare enrollee benefits and premium information.

IMPORTANT: It is your responsibility to make sure the insurance carrier(s) receive the COBRA/continuation election form and one month’s premium within the 60-day election period. If the insurance carrier does not receive the form and initial premium within 60 days, you and/or your family members will lose eligibility to elect COBRA/continuation coverage.

5. **After receiving your COBRA/continuation form and premium, the insurance carrier(s) will tell you how to make monthly premium payments.** They will also bill you for any retroactive premiums due. The insurance carriers must receive subsequent monthly payments by the tenth of the month before the premium month (for example, the June premium is due by May 10).

Service at 1-800-888-8267, 8:30 a.m. to 4:30 p.m., Monday through Friday.

Be sure to mail the form and premium directly to each insurance carrier within the allotted time.

Period of Initial Eligibility You may add newly eligible family members to your COBRA/continuation coverage during a PIE. The PIE starts on the first day of eligibility (for example, the day you marry or your child is born). It ends 31 days later or on the last working day of that 31-day period, whichever comes first.

Open Enrollment If you currently have COBRA/continuation coverage, you may add eligible family members during Open Enrollment—usually held in November. You may also change your medical and/or dental plan. Changes made during Open Enrollment do not change the duration of your COBRA/continuation coverage.

If you are not currently enrolled in COBRA/continuation coverage, you may not enroll at this time.

Moving Out of or Returning to a Plan Service Area If you are enrolled in a health maintenance organization (HMO), Blue Cross PLUS, or Select EPO, and you will be out of the plan's service area for more than two months, your plan may require you to reenroll. In these situations, UC regulations allow you to transfer to a UC-sponsored plan that provides service in your new location within 31 days of the date you leave the service area.

If you are enrolled in Options PPO–New Mexico and you move outside of New Mexico but within a UnitedHealthcare (UHC) PPO service area, you will be transferred into Options PPO–National. If you move outside the UHC PPO service area (anywhere in the world), you will be transferred into Options PPO–Out-of-Area. When you return, UHC will return you to the appropriate version of the plan (New Mexico, National, Out-of-Area) when they receive your new address.

If you are enrolled in UHC's iPlan and move outside of New Mexico or outside the UnitedHealthcare service area, you will remain in the plan and benefits will be paid at the out-of-network rate for non-PPO providers.

If you are enrolled in the PMI Dental Plan and will be out of the plan's service area for more than two months, you may transfer to the Delta Dental Plan, which provides worldwide coverage. You must transfer within 31 days of the date you leave the PMI service area. You may transfer back to PMI within 31 days of your return to PMI's service area.

Termination of COBRA/Continuation Coverage

You may cancel your COBRA/continuation coverage at any time by not paying the next premium. Once canceled, however, you may not reenroll.

Also, COBRA/continuation coverage for you and/or your enrolled family member(s) will end if the qualified beneficiary:

- Does not pay the required monthly premium(s) within 31 days of the due date,
- Becomes covered under another group health plan (unless the plan has a preexisting condition exclusion or limitation that affects you or your family member),
- Becomes entitled to Medicare benefits (based on age),
- Is no longer considered to be disabled by the Social Security Administration, or
- Loses coverage because UC no longer provides group health coverage to any of its employees.

COBRA/continuation coverage stops at the end of the month in which the COBRA/continuation period ends, or on the last day of the last period for which premiums are paid.

Legal Responsibilities

Divorce, Legal Separation, Annulment, Termination of an Adult Dependent Relative Relationship or Same-sex Domestic Partnership, Loss of Dependent Child Status You (or the qualified beneficiary) must notify your Benefits Office within 60 days of the qualifying event or the date coverage is lost, whichever is later. Retirees should notify the UC Customer Service Center. If UC is not notified, your family members may lose eligibility to elect COBRA/continuation coverage.

Termination of Employment or Reduction of Time Your department should notify your Benefits Office if your employment ends or your work hours are reduced. Your Benefits Office will notify you of your right to elect COBRA/continuation coverage. (See "Electing COBRA/Continuation" on page 3.)

Death of Employee or Retiree

If you die, your department will notify your Human Resources/Benefits Office, and your Benefits Office will notify your qualified beneficiaries of their right to elect COBRA/continuation coverage.

Disabled Qualified Beneficiaries

If you or a qualified beneficiary is disabled, you must provide the health insurance carrier with a copy of the Social Security disability determination *within 60 days* of the determination and before the end of your 18-month continuation period.

You must also notify the insurance carrier *within 30 days* of any final determination that you (or a qualified beneficiary) are no longer disabled. The COBRA/continuation coverage will end on the first of the month after 30 days after that final determination. For example, if your determination were made on March 16, your coverage would end on May 1.

Other Options

Continuation under AB 1401 (CalCOBRA)

If your COBRA/continuation medical coverage will end July 1, 2004, or later, and you are enrolled in a California medical plan, please call your medical plan carrier to find out if you are eligible for extended continuation coverage under Assembly Bill (A.B.) 1401. **This law applies to COBRA/continuation coverage that began on or after January 1, 2003, and which will end July 1, 2004, or later.**

CalCOBRA extends the continuation health coverage period for California employees who have exhausted their federal 18-month or 29-month coverage period up to 36 months from the date of the beginning of their COBRA coverage period. It does not further extend the coverage period for COBRA beneficiaries already receiving up to 36 months of continued coverage (e.g., in connection with the death of the covered employee or divorce or legal separation).

The cost for the additional coverage after 18 months cannot exceed 110 percent of the applicable premium. A qualified beneficiary who is determined to be disabled for Social Security purposes (see page 2) may be required to pay no more than 150 percent of the group rate after the first 18 months of continuation coverage expires.

The COBRA enrollee should contact their insurance carrier to elect continuation coverage under CalCOBRA, and must submit premium payments directly to the carrier.

This extension does not apply to UC-sponsored dental or vision plans or to Medicare supplement plans. It also does not apply to those who lose their COBRA continuation for reasons other than the exhaustion of the COBRA period, such as failure to pay premiums or obtaining coverage under another group health plan.

Senior COBRA

You and/or your spouse (former/current) or same-sex domestic partner (former/current) may be eligible to continue *medical* coverage after the initial 18-month COBRA/continuation period ends (or after the CalCOBRA period ends) if:

- You are age 60 or older when your employment ends,
- You have at least five years of continuous UC employment immediately before termination, and
- You and/or your spouse (former/current) or same-sex domestic partner (former/current) continued medical coverage under COBRA/continuation.

Senior COBRA (formerly “California Continuation Coverage”) is not available for the dental and vision plans.

You, your spouse (former/current) or your same-sex domestic partner (former/current) must request this extension from the medical plan carrier at least 30 days before the end of the COBRA/continuation period. Senior COBRA begins when your COBRA/continuation coverage ends.

Senior COBRA will continue until the earliest of the following:

- The individual turns age 65;
- The individual is covered by a group medical plan not sponsored by UC;
- The individual becomes entitled to Medicare; or
- UC no longer maintains the group plan, including any replacement plan.
- For your spouse (former/current) or same-sex domestic partner (former/current) only, coverage will end five years from the date COBRA/continuation coverage ends.

If your coverage ends, your spouse (former/current) or same-sex domestic partner (former/current) may continue coverage until one of the terminating events applies to him or her.

Monthly cost: COBRA/continuation premiums for Senior COBRA coverage are 213 percent of the corresponding group rate.

Conversion Options

Medical Insurance If you do not elect to continue medical coverage under COBRA/continuation, you may be eligible to convert your coverage to an individual policy within 31 days of the date group coverage ends. When you elect individual conversion, you forfeit all COBRA/continuation rights and you may not elect COBRA/continuation later.

If you elect group medical coverage under COBRA/continuation, you may convert to an individual policy only at the end of the full COBRA/continuation period and only if you maintain the coverage throughout the COBRA/continuation period.

Some medical plans do not allow conversion for those age 65 or over or for those eligible for Medicare. In addition, some plans require a minimum period of enrollment in the UC-sponsored medical plan to be eligible for a conversion policy.

The conversion application is supplied by the insurance carrier. To convert your medical coverage to an individual policy, you must send the application and the required premium to the medical plan carrier within 31 days of the date UC-sponsored group or COBRA/continuation coverage ends. Be sure to contact the medical plan for information about conversion before your COBRA/continuation period ends.

Dental and Vision Insurance Dental and vision plans do not offer individual conversion policies.

University-Paid Life, Employee-Paid Life, Dependent Life, Accidental Death and Dismemberment (AD&D) Insurance

When your UC-sponsored group coverage ends, you and/or your eligible family members have 31 days to apply to convert the coverage to individual policies.

When you convert coverage, you pay premiums directly to the insurance carrier. Please note that individual policies are generally more costly and provide fewer benefits than coverage through the UC-sponsored plan. See the appropriate plan's insurance booklet for more information, and contact the insurance carrier directly to elect conversion.

HIPP and CARE/HIPP Assistance

Upon termination of employment, you may be eligible for health insurance premium assistance. The California Department of Health Services may pay your health insurance premiums in the following circumstances:

- If you are eligible for Medi-Cal and you have a high-cost medical condition, you may qualify for the Health Insurance Premium Payment Program (HIPP).
- If you are unable to work because of disability due to HIV/AIDS and you are losing your health insurance, you may qualify for HIPP assistance through the Ryan White CARE Act Amendments of 1996 (CARE/HIPP).

Your Benefits Office will provide you with HIPP and CARE/HIPP information when you terminate UC employment. For enrollment requirements or further information, call your Benefits Office.

Address Changes

In order to protect your rights and the rights of your covered dependents, it is important that you keep your health plan carriers informed of any address changes.

For More Information

This notice does not fully describe COBRA/continuation coverage or other rights under your plans. To find more information, read your insurance carrier's Evidence of Coverage booklet.

To find telephone numbers or website links for UC-sponsored insurance carriers, visit the UC HR/Benefits website (<http://atyourservice.ucop.edu>) and select "Contact List."



University of California
Human Resources and Benefits
P.O. Box 24570
Oakland, CA 94623-1570

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Important Information About Your UC Insurance Coverage: COBRA/Continuation and Other Options

By authority of the Regents, University of California Human Resources and Benefits, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (1-800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some

Website address: <http://atyourservice.ucop.edu>

of your benefits may differ from the ones described here. Contact your Human Resources Office for more information.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides for continued coverage for a certain period of time at applicable monthly COBRA rates if you, your spouse, or your dependents lose group medical, dental, or vision coverage because you terminate employment (for reasons other than gross misconduct); your work hours are reduced below the eligible status for these benefits; you die, divorce, or are legally separated; or a child ceases to be an eligible dependent. Note: The continuation period is calculated from the earliest of these qualifying events and runs concurrently with any other UC options for continued coverage. See your Benefits Representative for more information.

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director of Diversity and Employee Programs, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Director of Academic Affirmative Action, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

