

## **COBRA GENERAL NOTICE** **of Rights for Regular Employees to Continue** **Group Health Coverage**

Dear Employee and/or Covered Spouse/Dependents:

**Introduction.** You are receiving this notice because you have recently become covered under a health plan sponsored by the Research Foundation for the SUNY (the Plan). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and to other members of your family who are covered under the Plan when you would otherwise lose your group health coverage or because you are no longer eligible for the plan. This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it. This notice gives only a summary of your COBRA continuation coverage rights. For more information about your rights and obligations under the Plan and under federal law, you should either review the Plan's Summary Plan Description or get a copy of the Plan Document from the Plan Administrator.

**YOU AND YOUR SPOUSE SHOULD READ THIS INFORMATION, REGARDLESS OF YOUR CURRENT EMPLOYMENT STATUS WITH THE RESEARCH FOUNDATION FOR THE SUNY.**

The Plan Administrator is the President of the Research Foundation for the SUNY, P.O. Box 9, Albany, NY 12201-0009 (518) 434-7080. The Plan Administrator is responsible for administering COBRA continuation coverage.

**COBRA Continuation Coverage is available to “qualified beneficiaries” on account of “qualifying events.”** COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a “qualifying event.” Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.” A qualified beneficiary is someone who will lose coverage under the Plan because of a qualifying event. Depending on the type of qualifying event, employees, spouses of employees, and dependent children of employees may be qualified beneficiaries. In order to be a qualified beneficiary, an individual must generally be covered under a group health plan on the day before the event that causes a loss of coverage (such as termination of employment, or a divorce from, or death of, the covered employee). However, a child born to the covered employee or who is placed for adoption with the covered employee during the period of COBRA continuation coverage is also a qualified beneficiary. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage. Qualified beneficiaries must pay the full premium (employee and employer share) plus an administrative fee of two percent to the Research Foundation.

If you are an **employee** of the Research Foundation covered by one of its health plans, you have the right to choose continuation coverage at group rates (plus the administrative fee of 2%) if you

lose your group health coverage because of a reduction in hours or termination of employment for any reason other than your gross misconduct.

If you are a **spouse** of an employee and you are both covered by one of the Research Foundation health plans, you have the right to choose continuation coverage for yourself if you lose group health coverage for any of the following reasons:

- 1 The death of your spouse;
- 2 A termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment;
- 3 The divorce or legal separation from your spouse; or
- 4 Your spouse becomes entitled to Medicare.

In the case of a **dependent child** of any employee, both of whom are covered by one of the Research Foundation health plans, the child has the right to continuation coverage if group health coverage is lost for any of the following reasons:

- 1 The death of a parent;
- 2 A termination of a parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment with the Research Foundation;
- 3 The parents' divorce or legal separation;
- 4 A parent becomes entitled to Medicare; or
- 5 The child ceases to be a "dependent child" under the terms of the health plan.

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 Research Foundation, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee is a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse, surviving spouse, and dependent children will also be qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

**Your responsibilities.** Under the law, you and your family member(s) have the responsibility to inform the Research Foundation as Plan Administrator of a divorce, legal separation, or child losing dependent status within 60 days of the date of the event or the date on which coverage would end under the Plan because of the event, whichever is later. The Research Foundation as Plan Administrator has the responsibility of recording the employee's death, termination, reduction in hours of employment, commencement of a bankruptcy proceeding or Medicare entitlement. When the Research Foundation as Plan Administrator is notified that one of these events has happened, the Research Foundation will, in turn, notify you that you have the right to choose continuation coverage. Under the law, you have 60 days from the date you would lose coverage because of one of the events described above, or the date your election notice is sent to you, whichever is later, to inform the Research Foundation that you want continuation coverage.

If you do not choose continuation coverage, your group health insurance coverage will end on the date specified by the plan.

If you choose continuation coverage, the Research Foundation is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated non-COBRA beneficiaries or family members. The law requires that

you be afforded the opportunity to maintain continuation coverage for 36 months unless you lost group health coverage because of a termination of employment or a reduction in hours. In that case, the required continuation coverage period under federal law is 18 months. However, under New York State law, the required period is 36 months for medical coverage (this extended period does not apply to dental or vision coverage) The federal 18-month period (which in New York applies to dental and vision coverage only) may be extended under two circumstances: due to a disability or a second qualifying event.

**Disability Extension.** If an individual is entitled to COBRA continuation coverage because of a termination of employment or reduction in hours of employment, the plan is generally required to make COBRA continuation coverage available to that individual for 18 months. However, if any individual entitled to the COBRA continuation coverage in the covered employee's family is disabled (as determined under the Social Security Act) and satisfies the applicable notice requirements, the plan must provide COBRA continuation coverage for up to 29 months, rather than 18 months, to any qualified beneficiary in the family that elects this extended coverage. The COBRA premium will increase to 150% of the full premium after the initial 18 months of continuation coverage. In order to qualify for the extension, the individual must be disabled at the time of termination of employment or reduction in hours of employment, or become disabled during the first 60 days of COBRA continuation coverage. You must make sure that the Plan Administrator is notified of the Social Security Administration's determination within 60 days of the date of the determination and before the end of the 18-month period of COBRA continuation coverage. The affected individual must notify the Research Foundation within 30 days of any final determination that the individual is no longer disabled.

**Second qualifying event extension.** If your family experiences 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. This extension is available to the spouse and dependent children if the former employee dies, enrolls in Medicare (Part A, Part B, or both), or gets divorced or legally separated. The extension is also available to a dependent child when that child stops being eligible under the Plan as a dependent child. In all of these cases, you must make sure that the Plan Administrator is notified of the second qualifying event within 60 days of the second qualifying event.

In no event will continuation coverage last beyond 3 years from the date of the event that originally made a qualifying beneficiary eligible to elect coverage.

**Termination of Continuation Coverage.** The law also provides that your continuation coverage may be terminated for any of the following reasons:

- 1 The Research Foundation no longer provides group health coverage to any of its employees;
- 2 The premium for your continuation coverage is not paid on time;
- 3 You become covered by another group plan, unless the plan contains any exclusions or limitations with respect to any preexisting condition you or your covered dependents may have (see Duration of COBRA Continuation, below);
- 4 You become entitled to Medicare;
- 5 You extend coverage for up to 29 months because of your disability, and there has been a final determination that you are no longer disabled.

**Duration of COBRA Continuation.** Under the COBRA rules, there are situations in which a group health plan may stop making COBRA continuation coverage available earlier than usually permitted. One of those situations is where the qualified beneficiary obtains coverage under another group health plan (see number 3, above). If the other group health plan limits or excludes coverage for any preexisting condition of the qualified beneficiary, the plan providing the COBRA continuation coverage cannot stop making the COBRA continuation coverage available merely because of the coverage under the other group health plan. There are limited circumstances in which plans can apply exclusions for the preexisting conditions. If a group health plan limits or excludes benefits for preexisting conditions, but because of the federal HIPAA rules those limits or exclusions would not apply to the individual receiving COBRA continuation coverage, then the plan providing COBRA continuation coverage can stop making the COBRA continuation coverage available.

You do not have to show that you are insurable to choose continuation coverage. However, you do have to pay the premium for your continuation coverage. The initial payment (including premiums for all periods since the qualifying event) is due no later than 45 days following election of continuation coverage. After the initial payment, payment for each month of continuation coverage is due on the first of the month. There is a grace period of 30 days for payment of the regularly scheduled premium. At the end of the 18-month or 36-month COBRA continuation coverage period, you must be allowed to enroll in an individual conversion plan.

### **If You Have Questions**

If you have questions about your COBRA continuation coverage, you should contact The Research Foundation for SUNY, Benefit Services, COBRA unit, 35 State Street, Albany NY 12207. You can telephone during normal business hours Monday through Friday (518) 434-7101 or email [benefits@rfsuny.org](mailto:benefits@rfsuny.org). You may also contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

### **Keep Your Plan Informed of Address Changes**

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

REFERENCES: Consolidated Omnibus Budget Reconciliation Act (COBRA) Health Insurance Portability and Accountability Act of 1996 (HIPAA)