

University Enterprises, Inc. Policies and Procedures	Policy No. 110
Section:	Human Resources
Policy:	Health and Dental Coverage Continuation (Cobra)
Revised Date:	December 11, 1998

Health and Dental Coverage Continuation (COBRA)

I. PURPOSE

To establish procedures for offering continuation of health and dental insurance coverage to employees and their dependents who cease to be eligible under the regular employee plans.

II. SCOPE

This policy applies to all insured University Enterprises, Inc. (UEI) employees and insured dependents who are receiving health and/or dental insurance at the time of a "qualifying event" that leads to their non-coverage.

III. POLICY

University Enterprises, Inc. provides for compliance with federal laws: (1) COBRA, the Consolidated Omnibus Budget Reconciliation Act of 1985, (2) HIPAA, the Health Insurance Portability Accounting Act of 1996, relative to continuation of health care coverage for employees. The information provided here is not comprehensive and any additional questions regarding continuation of health coverage should be referred to the Human Resources Division.

IV. DEFINITIONS

- A. COBRA: This law allows individuals covered by an employer's group health insurance to self-pay for those group benefits for a period of time after an event which ends employer-paid coverage. Covered individuals may elect to extend health benefit coverage for periods ranging generally from 18 to 36 months, depending on the circumstances leading to the loss of coverage.
- B. Qualifying Events: Qualifying events are events which may cause loss of regular coverage. They include the following:
 - the covered employee's death;
 - the covered employee's termination of employment or reduction in work hours;
 - the covered employee's divorce or legal separation;
 - the covered employee's enrollment in Medicare; and
 - a dependent child's losing eligibility because they no longer qualify as a dependent.
- C. HIPAA: Federal law requires UEI to provide certificates of prior group health plan coverage to employees and their dependents.

V. PROCEDURES

- A. Employees are responsible for notifying the Human Resources Division of a divorce, legal separation, or if a child no longer qualifies as a dependent.
- B. Generally, UEI will attempt to notify employees of their rights under COBRA when UEI is aware of a qualifying event which will cause a loss of coverage.

- C. Election of Continued Coverage: Generally, employees will have 60 days from the ending date of their coverage to notify UEI if they wish to continue coverage at their expense. The employee will be required to pay all of the premium for the coverage they elect to continue, plus a two percent administration fee.
- D. Duration: Extended COBRA health care coverage shall end before the above normal time limits if any of the following occur:
- University Enterprises, Inc. cancels health and dental coverage for all employees in the covered employee's job position;
 - The employee, spouse, or dependent fails to pay the premium for the continued coverage within the allotted time;
 - The former spouse of the employee remarries or receives coverage by another group health/dental plan, or;
 - The employee, spouse, or dependent receives coverage under another group health plan, including Medicare, unless that plan contains any exclusion or limitation with respect to any pre-existing condition. In cases where the employee, spouse, or dependent has a pre-existing condition not covered by the new plan, COBRA will be offered to the one beneficiary with the pre-existing condition.
- E. Cancellation: Employees and/or dependents may cancel COBRA coverage by submitting a written notice of this cancellation to the Human Resources Division.
- F. As part of compliance with HIPAA, UEI will provide certificates to employees and their dependents who lose group health plan coverage or COBRA coverage.

VI. RELATED POLICIES

- Policy No. 805 Employee Separation
Policy No. 810 Reduction In Force (RIF) and Recall