

Notice of Right to Elect COBRA Continuation Coverage

(Death, Divorce, Legal Separation, Medicare Entitlement, Loss of Dependent Status)

Date of Notice: _____

TO THE FAMILY OF:

FROM: (Plan Administrator)

Name: _____

Pawtucket School Department

Address: _____

79 1/2 Park Place, P.O. Box 388

City, State, Zip: _____

Pawtucket, RI 02860

On _____, the Pawtucket School Departments Plan Administrator's group health plan was notified that your health coverage (and that of your dependent child(ren), if any) will terminate because of the following::

- _____ Your spouse's death
- _____ Your divorce or legal separation
- _____ Your spouse became entitled to Medicare
- _____ Your dependent is no longer eligible for coverage

Under provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, this is a QUALIFYING EVENT that will entitle you and your dependent child(ren), if any, to elect to continue coverage (referred to as "COBRA coverage") under the health plan of the Pawtucket School Department, for up to 36 months from the date of your qualifying event.

How to Elect COBRA Coverage:

To continue coverage, you must complete and submit the attached election form to Pawtucket School Department by: _____ (sixty (60) days from the date of this notice).

Unless you state otherwise, your election will include and dependent child(ren) who will lose coverage because of the qualifying event. However, because COBRA gives you the right to elect coverage independently, you or dependent child(ren), if any, may elect single coverage and not include those individuals who do not wish to continue coverage.

Payment of COBRA Coverage Premiums:

The current amount of this premium and the due date for payment are explained in the attached election form. Please be advised that premiums are subject to change on the plan anniversary date or in the future.

Length of COBRA Coverage Period:

If you elect coverage, it will last for as long as 36 months beginning on the date of your qualifying event. However, if the employer files for bankruptcy reorganization and retiree health coverage is lost within one year before or after the bankruptcy filing, COBRA coverage could continue until the death of a retiree (or a surviving spouse of a deceased retiree) or for 36 months from the retiree's death (after the bankruptcy filing) in the case of the spouse and dependent child(ren).

Newborns and Adoptees

A child who is born or placed for adoption with the covered employee during a period of COBRA coverage will be eligible to become a qualified beneficiary. In accordance with the terms of Blue Cross, Blue CHIP, Healthmate or United Health Plans, and the requirements of federal law, these qualified beneficiaries can be added to COBRA coverage upon proper notification to the Pawtucket School Department Plan Administrator of the birth or adoption.

Early Termination of COBRA Coverage

The COBRA coverage for you and your dependent child(ren) may be terminated early if:

- The required premium payment is not paid when due.
- After the date of your COBRA election, you or your dependent child(ren), if any, become covered under another group health plan that does not contain any exclusion or limitation for any of your pre-existing conditions.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) restricts the extent to which group health plans may impose pre-existing condition limitations. These rules are generally effective for plan years beginning after June 30, 1997. HIPAA coordinates COBRA's other coverage cut-off rule with these new limits as follows.

If you become covered by another group health plan and the plan contains a pre-existing condition limitation that affects you, your COBRA coverage cannot be terminated. However, if the pre-existing condition rule does not apply to you by reason of HIPAA's restrictions on pre-existing condition clause, Blue Cross, Blue CHIP, Healthmate or United Health Plans may terminate your COBRA coverage

- * After the date of your COBRA election, you or dependent child(ren), if any, become entitled to Medicare benefits. A person generally has become entitled to Medicare when he or she has applied for Social Security Income payments or has filed and application for benefits under Part A or Part B of Medicare.
- All of the company's group health plans are terminated.

Continuation coverage under COBRA is provided subject to your eligibility. The Pawtucket School Department reserves the right to terminate your COBRA coverage retroactively if you are determined to be ineligible for coverage.

To be sure that you and your dependent child(ren), if any, receive the necessary information concerning your rights, you should keep the Pawtucket School Department informed of any address changes.

This notice is a summary of your COBRA rights. For answers to specific questions, please contact the Pawtucket School Department at the address above or call:

(401) 729-6341 for Teaching Benefits questions

(401) 729-6342 for Non Teaching Benefits questions