

Notice of Right to Elect COBRA Continuation Coverage

(Due to Termination or Reduction in Hours Of Employment)

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 _____, your coverage, and that of your spouse and dependent child(ren), if any, under the health plan of the Pawtucket School Department, will terminate because of the following:

_____ Termination of Employment

_____ Reduction in Hours of Employment

Under provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, this is a QUALIFYING EVENT that will entitle you and your spouse and 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 18 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:

This same notice is being sent separately to your spouse, if any; however, only one of you needs to elect continuation coverage for your spouse and dependent child(ren) who wish to continue coverage.

Furthermore, because COBRA gives you the right to elect coverage independently, you, your spouse, 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.

Length of COBRA Coverage Period:

If you and your spouse or dependent child(ren), if any, elect coverage, it will last for as long as 18 months beginning on the date of your qualifying event. This period may be extended for the following reasons:

- **Death of employee, divorce, legal separation or change in dependent status.**
If these events occur during the original 18 month period of coverage, the period of coverage for your spouse and dependent child(ren), if any, may be extended for an additional 18 months, resulting in a total of 36 months of coverage from the date of the original qualifying event. Note that to receive this extension, you and/or spouse and dependent child(ren) must notify the Pawtucket School Department within 60 days of the occurrence of these event
- **Medicare entitlement of employee.**
If you become entitled to Medicare before your qualifying event, your spouse and dependent child(ren), if any, may receive extended COBRA coverage for up to the greater of either: (a) 36 months from the date of your Medicare entitlement; or (b) 18 months from the date of your qualifying event. If you become entitled to Medicare after your qualifying event but within 18 months of your qualifying event, your spouse and dependent child(ren), if any, may receive and additional 18 months of COBRA coverage. Note that a person generally has become entitled to Medicare when he or she has applied for Social Security income payments or has filed an application for benefits under Part A or Part B of Medicare.

- **Disability Determination**

If it is determined that you and your spouse or dependent child(ren), if any, were disabled (for Social Security purposes) during the first 60 days of COBRA coverage, the 18 month period may be extended to 29 months for all individuals covered under COBRA coverage from the date of the qualifying event. This extension only applies if the Pawtucket School Department is notified within 60 days of a disability determination and before the end of the 18 month period.

- **Bankruptcy filing**

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

COBRA coverage may terminate early if:

- The required premium payment is not paid when due.
- 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.
- You and your spouse or dependent child(ren), if any, become entitled to Medicare benefits.
- All of the company's group health plans are terminated.
- If coverage is extended to 29 months due to disability, a determination that the individual is no longer disabled.

NOTE: Federal law requires that you inform the Pawtucket School Department of any final determination that you are no longer disabled with 30 days of such determination.

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, your spouse 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