LOS RIOS COMMUNITY COLLEGE DISTRICT

COBRA Benefits for Los Rios Employees & Eligible Family Members

The Los Rios Community College District allows continued medical, dental and FSA benefits for you and your covered dependents, under certain circumstances because of a federal law -- the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). It is important that you are aware of this plan provision, since you will be required to take specific actions to exercise your rights to continued coverage. Please review the following information carefully and save it for future reference.

When Does the Continuation Provision Apply?

The continuation provision applies when you, your spouse, your domestic partner or a covered dependent (called a qualified beneficiary) experience a situation (called a "qualifying event") which would normally result in your loss of coverage under the Los Rios Benefits Plan.

As an employee of the Los Rios Community College District covered by the Los Rios Benefits Plan, you have a right to choose Continuation Coverage if:

1. You lose your group health coverage because of a reduction in your hours of employment
2. The termination of your employment (for reasons other than gross misconduct on your part).

As the spouse or domestic partner of an employee covered by the Los Rios Benefits Plan, you have the right to choose continuation coverage if you lose group health coverage under the Los Rios Benefit Plans for any of the following reasons:

1. The death of your spouse or domestic partner;
2. A termination of your spouse's/domestic partner’s employment (for reasons other than gross misconduct) or reduction in your spouse's/domestic partner’s hours of employment;
3. Divorce or legal separation from your spouse, or termination of the domestic partner relationship; or
4. Your spouse/domestic partner becomes entitled to Medicare.

In the case of a dependent child of an employee, or dependent child of a domestic partner, covered by the Los Rios Benefit Plans, he or she has the right to continuation coverage if group health coverage under the Los Rios Benefit Plans is lost for any of the following reasons:

1. The death of a parent (employed by Los Rios);
2. The termination of a parent's employment (for reasons other than gross misconduct) or reduction in parent's hours of employment with Los Rios;
3. Parents' divorce, legal separation, or termination of a domestic partner relationship;
4. A parent becomes entitled to Medicare; or
5. The dependent ceases to be an "eligible dependent child" under the Los Rios Benefit Plans.
How Much Does Continued Coverage Cost?

You are required to pay the full cost of continued coverage plus a 2% charge to cover the cost of plan administration. You will be asked to pay for the coverage in monthly installments and your first payment must begin no later than 45 days after the date that you elect continued coverage. The Employee Benefits Department can provide you with current cost information.

If health care continuation is extended to individuals who are deemed disabled by the Social Security Administration, employers are permitted to charge 150 percent of the applicable premium for up to 11 additional months of coverage provided to disabled beneficiaries.

Can I Continue Full Health Coverage?

If you choose continued coverage, you will have coverage which -- at the time the coverage is being provided -- is identical to that provided under the plan to similarly situated employees or dependents who haven't experienced one of the above qualifying events. You will be entitled to the same coverage you had on the day prior to your qualifying event, and both you and your dependents cannot be asked to furnish evidence of insurability. During the time you and your dependents are covered by COBRA continuation, you will be entitled to the same coverage options that are available to active employees, including, for example, the right to change coverage at open enrollment and the right to modify coverage in the event of a change in your coverage needs. You will be notified of these options at the same time as the active employees by mail to your last known address. If you do not choose continued coverage, your group health coverage will end on the last day of the month in which you resign or retire.

How long is COBRA Period of Coverage?

In general, coverage may be continued for 18 months after the date of the qualifying event -- in the case of termination of employment or reduction of hours -and for 36 months for all other events listed on the previous page. Since your medical plan provides you with the option to convert to individual coverage, you can exercise that option during the last 180 days of continued coverage.

You may choose not to convert your medical plan to individual coverage. In this case, you may purchase an individual medical policy from any carrier selling these types of policies state-wide. These carriers must sell you their two best selling individual medical policies. You must exhaust your COBRA continuation in order to be eligible to purchase an individual policy (as allowed under HIPAA).

COBRA coverage may now continue until a qualified beneficiary becomes covered under any other group health plan which does not contain any exclusion or limitation with respect to any pre-existing condition of such beneficiary. In other words, a beneficiary who becomes covered under a group health plan with a pre-existing conditions clause must be allowed to retain COBRA coverage.

Health care continuation coverage is extended from 18 to a maximum of 29 months for individuals (and all related qualified beneficiaries) who were disabled according to the Social Security
Administration at the time of the initial qualifying event or during the first 60 days of COBRA coverage. The purpose of this change is to allow disabled persons and their covered qualified dependents to continue their group medical benefits during the 29 month waiting period for Medicare medical benefits. In order to obtain the 11-month extension, you must notify Los Rios of the Social Security determination of disability within 60 days of the date the determination is made and before the end of the original 18 months of COBRA Continuation Coverage.

Coverage could be terminated earlier than the above dates if:

1. You, your spouse, your dependent child, your domestic partner or domestic partner’s child first becomes covered, after the date of the qualifying event, under another group health plan (which does not restrict coverage for your pre-existing condition/ies);  
2. You, your spouse or domestic partner become entitled to Medicare after the date of the COBRA election;  
3. The failure to make a required premium payment;  
4. Los Rios terminates all of its group health plans;  
5. You, your spouse, your dependent child, your domestic partner or domestic partner’s child is no longer disabled after the first 18 months on continuation coverage.

You must notify the Los Rios Employee Benefits Department upon the occurrence of events (1) and (2) above.

What Must I Do To Obtain Continued Coverage?

You have the responsibility of notifying the Los Rios Employee Benefits Department when certain events occur which qualify you for continued coverage. The Employee Benefits Department will assist you in obtaining and completing the appropriate forms. Once the forms are completed The Employee Benefits Department will forward the information to our third party administrator, CBA Administrators.

You or your covered dependent(s) must notify Los Rios within 60 days of the occurrence of:

- A divorce or termination of domestic partner relationship;
- A dependent child losing eligibility under the plan;
- The receipt of a final determination of disability or Social Security.

CBA Administrators will notify you or your covered dependents of your right to elect continued coverage within 14 days in the event of:

- Termination of employment  
- Reduction in hours  
- Employee's death  
- Employee's entitlement to Medicare
You or your covered dependents will have a 60-day election period during which continued coverage may be elected. The period begins the later of (1) the date your coverage terminates by reason of the qualifying event or (2) the date you or your covered dependents were notified of your right to elect continued coverage.

Additional Information

CBA Administrators will provide you with a payment coupon book and payment will be made to CBA Administrators. Once an employee and/or dependents are enrolled in COBRA all correspondence and questions are handled between the employee and CBA Administrators.

If you have any questions or need further information about the continued coverage provision, please contact the Los Rios Employee Benefits Department. If you are already enrolled in COBRA please contact CBA Administrators.

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Notice To Terminating Employees

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