



## Important Health Benefit Continuation Information

1. If your, or your dependent's, County health benefit coverage has ended due to:
  - a. Termination
  - b. Retirement
  - c. Reduction in hours
  - d. Loss of eligibility
  - Federal COBRA law provides 18 months of continuation coverage at 102% of the County paid premium.
  - For dependents that lose coverage under an active employees plan, the law provides 36 months of COBRA coverage.
2. Please review your options below:
  - Employees and/or dependents not covered by any other health plan:
    - COBRA- Option to continue with current County Medical, Dental and/or Vision coverage. Must pay monthly premiums by check or money order to County Risk Management.
    - Health Insurance Marketplace- Health insurance options, that may cost less than COBRA, are available through the Marketplace. Contact Alliant 800-444-1188 for assistance with your options or visit [www.healthcare.gov](http://www.healthcare.gov).
    - County Early Retiree Medical- Medical insurance options available for early retirees (pre-65 or non-Medicare), through County Risk Management, after COBRA expires. Members may be able to have monthly premium deducted from StanCERA retirement check or pay monthly premium to County Risk Management.
    - RESCO- Dental and Vision insurance options are available for retirees after COBRA expires. Contact RESCO's benefits administrator, PGA at (800) 511-9065.
  - Retired employees and their dependents age 65+ or on Medicare, are not eligible for COBRA medical coverage or County Early Retiree medical coverage. RESCO offers Medicare plan supplements as well as Dental and Vision insurance. Contact RESCO's benefits administrator, PGA, for your options (800) 511-9065.
3. If you are continuing enrollment in Stanislaus County's medical coverage, you must stay with the same medical plan for the remainder of the current plan year. Medical plan changes are only allowed during the annual open enrollment period, which take effect January 1 of the new plan year.
4. Complete the **Stanislaus County COBRA or Early Retiree Enrollment Form** and return to Employee Benefits. Pre-printed COBRA Enrollment Form will not be available until after last day of employment. Coverage will be reinstated retroactively if necessary, but not until full payment is received.

5. Make checks payable to: Stanislaus County Risk Management, 1010 10<sup>th</sup> Street, Suite 5900, Modesto, CA 95354. The County does not offer ACH or automatic deduction. We recommend you speak with your banking institution to see if they can set your payment up on automatic bill pay. We do not accept cash. Monthly premiums may be paid in advance, but no more than one month prior to due date.
6. Monthly premiums are due on the 1<sup>st</sup> day of each month. Stanislaus County does allow a 30 day grace period. However, benefit eligibility for participants who do not pay their insurance premiums by the first day of each month, will be placed on a coverage hold until payment is received or the expiration of the 30-day grace period, whichever is earlier. If payments are not received in our office by the 30th day, your coverage will be permanently terminated.
7. If you were enrolled in the County's voluntary supplemental life insurance while employed, you may convert to an individual policy directly with ReliaStar ING. **Your life insurance conversion form and proof of enrollment are enclosed.** You have 30 days to enroll.
8. If you were enrolled in Humana's voluntary Whole Life insurance or Critical Illness coverage while employed with the County, you may convert to an individual policy with Humana. Please contact Humana at (877) 378-1505 to convert your policy within 30 days.
9. If you were enrolled in LifeSecure long-term care insurance coverage offered through Stanislaus County, you can still keep your coverage at the same rate and be directly billed for it. To maintain your coverage, please call 877-286-2852.

**Please review the following pages, Important Information About Your COBRA Continuation Rights, and consider your options carefully before you make your decision to elect continuation coverage.**

Go to our website at the link below to review detailed information regarding your health plan options:  
<http://www.stancounty.com/riskmgmt/risk-eb-home-main.shtm>.

If you have additional questions, please call Employee Benefits at (209) 525-5717 or email us at [countybenefits@stancounty.com](mailto:countybenefits@stancounty.com).



## **Important Information** **About Your COBRA Continuation Coverage Rights**

This notice contains important information about your right to continue your health care coverage in the Stanislaus County group health plan (the Plan), as well as other health coverage options that may be available to you, including coverage through the Health Insurance Marketplace. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. Please read the information contained in this notice very carefully before you make your decision.

### **What is COBRA continuation coverage?**

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan. Depending on the type of qualifying event, “qualified beneficiaries” can include the employee (or retired employee) covered under the group health plan, the covered employee’s spouse, and the dependent children of the covered employee.

COBRA continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including open enrollment and special enrollment rights.

### **Are there other coverage options besides COBRA Continuation Coverage?**

Yes. Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family through the Health Insurance Marketplace or other group health plan coverage options (such as a spouse’s plan) through what is called a “special enrollment period.” Some of these options may cost less than COBRA continuation coverage.

When you lose job-based health coverage, it’s important that you choose carefully between COBRA continuation coverage and other coverage options, because once you’ve made your choice, it can be difficult or impossible to switch to another coverage option.

### **What is the Health Insurance Marketplace?**

The Marketplace offers “one-stop shopping” to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. You can access the Marketplace for your state at [www.HealthCare.gov](http://www.HealthCare.gov) or to compare your options, contact Alliant at 800-444-1188.

Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA continuation coverage won’t limit your eligibility for coverage or for a tax credit through the Marketplace.

## **When can I enroll in Marketplace coverage?**

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a “special enrollment” event. **After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away.** In addition, during an “open enrollment” period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit [www.HealthCare.gov](http://www.HealthCare.gov).

## **If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?**

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also terminate your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a “special enrollment period.” But be careful - if you terminate your COBRA continuation coverage early without another qualifying event, you’ll have to wait to enroll in Marketplace coverage until the next open enrollment period, and could end up without any health coverage in the interim.

Once you’ve exhausted your COBRA continuation coverage and the coverage expires, you’ll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

## **How long will continuation coverage last?**

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued for up to a total of 18 months. In the case of losses of coverage due to an employee’s death, divorce or legal separation, the employee’s becoming entitled to Medicare benefits or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee’s hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. This notice shows the maximum period of continuation coverage available to the qualified beneficiaries.

### **Continuation coverage will be terminated before the end of the maximum period if:**

- any required premium is not paid in full on time,
- a qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary (note: there are limitations on plans’ imposing a preexisting condition exclusion and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act),
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
- the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage, for a participant or beneficiary not receiving continuation coverage (such as fraud).

## **How can you extend the length of COBRA continuation coverage?**

If you elect continuation coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify the Plan Administrator of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide notice and proof of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

### ***Disability***

An 11-month extension of coverage may be available if any of the qualified beneficiaries is determined by the Social Security Administration (SSA) to be disabled. The disability has to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. Each qualified beneficiary who has elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify the Plan of that fact within 30 days after SSA's determination.

### ***Second Qualifying Event***

An 18-month extension of coverage will be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months. Such second qualifying events may include the death of a covered employee, divorce or separation from the covered employee, the covered employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the Plan if the first qualifying event had not occurred. You must notify the Plan within 60 days after a second qualifying event occurs if you want to extend your continuation coverage.

## **How can you elect continuation coverage?**

To elect COBRA continuation coverage, you must complete the COBRA Election Form and submit with payment according to the directions on the form. Each qualified beneficiary has a separate right to elect continuation coverage. For example, the employee's spouse may elect continuation coverage even if the employee does not. Continuation coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries. A parent may elect to continue coverage on behalf of any dependent children. The employee or the employee's spouse can elect continuation coverage on behalf of all of the qualified beneficiaries.

## **When and how must payment for COBRA continuation coverage be made?**

Each qualified beneficiary is required to pay the entire cost of continuation coverage and may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described in this notice. The premium payments for the "initial premium months" must be paid for you (the employee) and for any spouse or dependent child by the 45th day after electing continuation coverage. The initial premium months are the months that end on or before the 45th day after the election of continuation coverage is made.

Once continuation coverage is elected, the right to continue coverage is subject to timely payment of the required COBRA premiums. Coverage will not be effective for any initial premium month until that month's premium is paid within the 45-day period after the election of continuation coverage is made.

## **Monthly Premium Payments**

All other premiums payments for health insurance coverage under COBRA are due on the 1st day of each month of coverage. Monthly premiums may be paid in advance, but no more than one month prior to the due date. COBRA regulations allow an additional 30-day grace period to make a payment for insurance coverage before terminating COBRA eligibility. However, COBRA participants are encouraged to pay monthly insurance premiums by the 1st day of each month to avoid any delay in claim payments or benefits eligibility. If payment is not received by the 1<sup>st</sup> day of the month, COBRA coverage will be placed on hold for non-payment and claims for services rendered during the 30 day grace period will be denied until such time premiums are received. If premiums are received after the first of the month, but prior to the end of the grace period, coverage will be fully reinstated retroactive to the beginning of the month.

## **For more information**

This notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator.

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), the Patient Protection and Affordable Care Act (PPACA) and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) or call their toll-free number at 1-866-444-3272.

## **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 you or any of your family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

## **Plan Administrator**

The Employer is the Plan Administrator. All notices, payments and other communications regarding the Plan and COBRA must be directed to the following:

CEO-Risk Management Division  
Employee Benefits  
1010 10th Street, Suite 5900  
Modesto, CA 95354  
209-525-5717  
[countybenefits@stancounty.com](mailto:countybenefits@stancounty.com)