

INITIAL COBRA NOTIFICATION – VERY IMPORTANT NOTICE

TO ALL NEW EMPLOYEES

***It is important that all covered individuals take the time to read this notice carefully and be familiar with its contents.*

Under federal and state law, the State of Connecticut is required to offer covered employees and covered family members the opportunity for a temporary extension of health coverage (called “Continuation Coverage) at group rates when coverage under the plan would otherwise end due to certain qualifying events. This notice is intended to inform you and your covered dependents, if any, in a summary fashion of your options and obligations under the continuation coverage provisions of the law.

Qualifying Events for Covered Employee. If you are the employee of the State of Connecticut covered by state-sponsored group health insurance, you may have the right to elect this continuation coverage if you lose your group health coverage because of termination of your employment or a reduction in your hours of employment.

Qualifying Events for Covered Spouse. The spouse of an employee of the State of Connecticut covered under his/her state-sponsored group health insurance may have the right to elect continuation coverage if he/she loses such group health insurance for any of the following reasons:

1. Termination of the subscriber’s employment or reduction in hours of employment with the State of Connecticut;
2. The death of the employee; or
3. Divorce or legal separation.

Qualifying Events for Covered Dependent Children. The dependent children of an employee covered by state-sponsored group health insurance may have the right to elect continuation coverage for themselves if they lose such group health coverage for any of the following reasons:

1. Termination of the employee’s employment or reduction in the employee’s hours of employment with the State of Connecticut;
2. The death of the employee;
3. Parent’s divorce or legal separation; or
4. Ceasing to be a “dependent child” under group health insurance.

Important: Employee, Spouse, and Dependent Notifications Required. Under the law, the employee, spouse, or other family member has the responsibility to inform the State of Connecticut of a divorce, legal separation, or a child losing dependent status under state sponsored group health insurance. This notification must be made within 30 days from the later of the date of the event or the date on which coverage would be lost because of the event. This notification should be made to your personnel or payroll office. If this notification is not completed in a timely manner, rights to continuation coverage may be forfeited. Your agency has the responsibility to notify the COBRA Administrator of your termination of employment, reduction in hours, or death. The employee has 60 days to respond to the COBRA notification.

Election Period and Coverage. Once your agency is notified that a qualifying event has occurred, it will in turn notify covered individuals (also known as qualified beneficiaries) of their right to elect continuation coverage. Each qualified beneficiary has independent election rights and will have 60 days from the later of the date coverage is lost under group health insurance or from the date of notification to inform the COBRA Administrator that the qualified beneficiary wants to elect continuation coverage. If a qualified beneficiary does not elect continuation coverage within this election period, rights to continue health insurance will end.

If a qualified beneficiary elects continuation coverage and pays the applicable premium, the State is required to provide the qualified beneficiary with coverage that is identical to the coverage provided under the plan to similarly situated employees and/or covered dependents.

Length of Continuation Coverage (up to 18 Months). If the event causing the loss of coverage is a termination of employment or a reduction in work hours, then each qualified beneficiary will have the opportunity to continue coverage for 24 months from the date of the qualifying event.

Social Security Disability. The 24 months of continuation coverage can be extended to 29 months if the Social Security Administration determines that a qualified beneficiary was disabled on the date of the qualifying event according to Title II or XVI of the Social Security Act. It is the qualified beneficiary's responsibility to obtain this disability determination from the Social Security Administration and notify the COBRA Administrator within 60 days of the date of determination and before the original 24 months expires. It is also the qualified beneficiary's responsibility to notify the COBRA Administrator within 30 days of a final determination that he or she is no longer disabled.

Secondary Events. Another extension of the 24-month continuation period can occur, if during the 24 months of continuation coverage, a second event takes place (divorce, legal separation, death, Medicare entitlement, or a dependent child ceasing to be a dependent). If a second event does take place, then the 24 months of continuation coverage can be extended to 36 months from the date of the original qualifying event date. If a second event occurs, it is the qualified beneficiary's responsibility to notify the COBRA Administrator. In no event, however, will continuation coverage last beyond three years from the date of the event that originally made the qualified beneficiary eligible for continuation coverage.

Length of Continuation Coverage (36 Months). If the original event causing the loss of coverage was the death of the employee, divorce, legal separation, or a dependent child losing such status under state-sponsored group health insurance, then each qualified beneficiary will have the opportunity to continue coverage for 36 months from the date of the qualifying event.

Eligibility, Premiums, and Potential Conversion Rights. A qualified beneficiary does not have to show that he/she is insurable to elect continuation coverage. However, the State, through its COBRA Administrator, reserves the right to verify eligibility status and terminate continuation coverage retroactively if an individual is determined to be ineligible or if there has been a material misrepresentation of the facts. A qualified beneficiary will have to pay all of the applicable premium plus a 2% administration charge for continuation coverage. There is a grace period of 30 days for the regularly scheduled monthly premiums.

Notification of Address Change. To ensure that all covered individuals receive information properly and efficiently, it is important that your personnel or payroll office be notified of any address change as soon as possible. Failure on your part to do so may result in delayed notification or a loss of continuation coverage options.

Cancellation of Continuation Coverage. The law provides that continuation coverage may end prior to the maximum continuation period for any of the following reasons:

1. The State of Connecticut ceases to provide any group health plan to any of its employees;
2. Any required premium for continuation coverage is not paid in a timely manner;
3. A qualified beneficiary becomes covered under another group health plan that does not contain any exclusion or limitation with respect to any pre-existing condition of such beneficiary;
4. A qualified beneficiary extended continuation coverage to 29 months due to a Social Security disability has a final determination that he/she is no longer disabled.
5. A qualified beneficiary notifies the COBRA Administrator that he/she wants to cancel continuation coverage.

Any questions? *If you have questions regarding the information contained in this summary notice or are unsure of your obligations, please contact either your personnel or payroll office.*