

14.9 CONTINUATION OF GROUP INSURANCE

The federal Consolidated Omnibus Reconciliation Act of 1985 (COBRA) allows certain individuals the option of continuing their group health insurance, at the individuals' full expense, under specific conditions. The County complies with COBRA, and the following general rules shall apply, as long as they remain consistent with COBRA:

Eligible Employee To be eligible for continuation coverage, an individual must be an employee of Austin County covered by the county's group health plan or an individual who is otherwise covered under the plan.

Eligible Circumstance An eligible employee has the right to choose continuation coverage if he or she loses group health coverage because of a reduction in his or her hours of employment or the termination of his or her employment (for reasons other than gross misconduct on the employee's part).

The spouse of an employee or other worker covered by the county's group health plan has a right to choose continuation coverage if he or she loses coverage under the county's group health plan for any of the following reasons:

1. The death of the employee;
2. A termination of the employee's employment (for reasons other than gross misconduct);
3. Divorce or legal separation from the employee; or
4. The employee applies for and becomes entitled to Medicare.

The dependent child of an employee or other worker covered by the county's group health plan has a right to choose continuation coverage if he or she loses coverage under the county's group health plan for any of the following reasons:

1. The death of a parent;
2. The termination of a parent's employment (for reasons other than gross misconduct), or reduction in a parent's hours of employment with the county;
3. Parents' divorce or legal separation;
4. A parent applies for and becomes entitled to Medicare; or
5. The dependent ceases to be a "dependent child" under the county's group health plan.

Notice Under COBRA, the covered worker or family member has the responsibility to notify the plan administrator of a divorce, legal separation, or a child losing dependent status under the county's group health plan within 60 days of the event or within 60 days of the date on which coverage would be lost because of the event. Austin County has the responsibility to notify the plan administrator of the covered worker's death, termination of employment, reduction in hours, or entitlement to Medicare.

When the plan administrator is notified that one of the above events has occurred, he or she will notify the covered worker or family member that he or she has the right to choose continuation coverage. The covered worker or family member then has at least 60 days from the date on which he or she would otherwise lose coverage to inform the plan administrator that he or she wants continuation coverage. If the covered worker or family member does not choose continuation coverage, group health insurance coverage will end. If the covered worker or family member chooses continuation coverage, Austin County will provide coverage that, as of the time that coverage is being provided, is identical to the coverage provided under the insurance plan to similarly situated employees or family members.

Limitations and Extensions Continuation coverage is generally limited to 18 for employees and 36 months for dependents, although that period may be shortened or lengthened, depending on the circumstances, and as set forth in COBRA.

Additionally, continuation coverage may not be provided for the full coverage period for any of the following reasons, or as otherwise set forth in COBRA:

1. Austin County no longer provides group health coverage to any of its employees;
2. The premium for continuation coverage is not paid;
3. The covered worker or family member becomes eligible for Medicare;
4. There has been a final determination that the covered employee or family member is no longer disabled (in the case of beneficiaries who qualified for the extra 11 months of continuation coverage based on their disability at termination); or
5. The covered worker or family member becomes covered under another group health plan that does not contain any provision restricting or limiting coverage of a "preexisting medical condition."

An individual does not have to show that he or she is insurable to choose continuation coverage. A minimum 30-day "grace period" will be allowed for the covered worker or family to pay regularly scheduled premiums. At the end of the continuation coverage period, the covered worker or family member will be allowed to enroll in an individual conversion health plan provided by the current health plan.

If you have any questions regarding continuation coverage, please contact Human Resources to discuss your particular circumstances