# Notice of Employee's Rights to Continue Group Health Insurance Coverage
# New York State Continuation/COBRA General Notice

On April 7, 1986, a federal law was enacted [Public Law 99-272, Title X] requiring that most employer sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law. Both you and your spouse should take the time to read this notice carefully.

As an *employee* covered by your employer's group health insurance plan, you have the right to choose continuation coverage for yourself if you lose group health coverage because of a reduction in hours or termination of employment (for reasons other than gross misconduct on your part).

If you are a *spouse* of an employee covered by the employer's group health insurance plan, you have the right to choose continuation coverage for yourself if you lose group health insurance for any of the following reasons:

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

In the case of a *dependent child* of an employee covered by the employer's health insurance plan, he or she has the right to continuation coverage if the group health coverage is lost for any of the following reasons:

1. The death of a parent;
2. A termination of parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment;
3. Parent's divorce or legal separation;
4. A parent becomes entitled to Medicare; or
5. The dependent child ceases to be an eligible dependent under employer's group health plan.

*Your responsibilities.* Under the law, you and your family members have the responsibility to inform your employer of a divorce, legal separation, or child losing dependent status under the employer's health insurance plan within 60 days of the date of the event or the date in which coverage would end under the Plan because of the event, whichever is later. Your employer has the responsibility of notifying the Plan Administrator of the employee's death, termination, reduction in hours of employment or Medicare entitlement. Similar rights may apply to certain retirees, your spouse, and dependent children if your employer commences a bankruptcy proceeding and these individuals lose coverage.

Once your employer is notified that one of these events has occurred, your employer will notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above, or the date your election notice is sent to you, whichever is later, to inform the Insurance Administrator that you wish to continue your coverage under New York State Continuation/COBRA.

If you do not choose to continue your group health insurance coverage under New York State Continuation/COBRA, your coverage will end.
If you choose to continue your group health insurance coverage under New York State Continuation/COBRA, your employer is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated non COBRA beneficiaries or family members. You must pay your employer up to 102% of the group rate for continuation coverage. The required premium includes the 2% of the group rate to cover administration costs.

The law requires that you be afforded the opportunity to maintain continuation coverage for three years unless you lost group health insurance coverage because of a termination of employment or a reduction in hours. In that case, the required continuation coverage period is 36 months.

*Definition of Qualified Beneficiary.* Individuals entitled to New York State Continuation/COBRA continuation coverage are called qualified beneficiaries. Individuals who may be qualified beneficiaries are the spouse, and dependent children of a covered employee, and, in certain circumstances, the covered employee. Under current law, in order to be a qualified beneficiary, an individual must generally be covered under a group health plan on the day before the event that causes a loss of coverage (such as termination of employment, or a divorce from, or death of, the covered employee). HIPPA changes this requirement so that a child born to the covered employee, or who is placed for adoption with the covered employee, during the period of New York State Continuation/COBRA continuation coverage, is also a qualified beneficiary.

*Termination of Continuation Coverage.* However, the law also provides that your continuation coverage may be terminated for any of the following five reasons;

1. Your employer no longer provides group health coverage to any of its employees;
2. The premium for your continuation coverage is not paid on time;
3. You become covered by another group plan, unless the plan contains any exclusions or limitations with respect to any preexisting condition you or your covered dependents may have; see *Duration of New York State Continuation/COBRA Continuation*, below;
4. You become entitled to Medicare;
5. You continued coverage for up to 36 months due to a disability and there has been a final determination that you are no longer disabled.

*Duration of New York State Continuation/COBRA Continuation.* Under the New York State Continuation/COBRA rules there are situations in which a group health plan may stop making New York State Continuation/COBRA continuation coverage available earlier than usually permitted. One of these situations is where the qualified beneficiary obtains coverage under another group health plan; see number 3 above. Under current law, if the other group health plan limits or excludes coverage for any preexisting condition of the qualified beneficiary, the plan providing the New York State Continuation/COBRA continuation coverage cannot stop making the New York State Continuation/COBRA continuation coverage available merely because of the coverage under the other group health plan. HIPPA limits the circumstances in which plans can apply exclusions for the preexisting conditions. HIPPA makes a coordinating change to the New York State Continuation/COBRA rules so that if a group health plan limits or excludes benefits for preexisting conditions, but because of the new HIPPA rules those limits or exclusions would not apply to (or would be satisfied by) an individual receiving New York State Continuation/COBRA continuation coverage, then the plan providing New York State Continuation/COBRA continuation coverage can stop making the New York State Continuation/COBRA continuation coverage available. The HIPPA rules limiting the applicability of exclusions for preexisting conditions become effective in plan years beginning on or after July 1, 1997 (or later for certain plans maintained pursuant to one or more collective bargaining agreements).

You do not have to show that you are insurable to choose continuation coverage. However, under the law, you may have to pay all or part of the premium for your continuation coverage. There is a grace period of at least 30 days for payment of the regularly scheduled premium (The law says that at the end of the 18-month or 36-month New York State Continuation/COBRA continuation coverage period, you must be allowed to enroll in an individual conversion plan provided under your employer).

If you have any questions regarding the information listed above, please contact your employer or the Plan Administrator: New York State Business Group/Conference Associates, Inc., 180 East Main Street, Patchogue, New York, 11772 Tel. No. 1-800-456-9724/Fax No. (631) 654-0840. Also, if you have changed marital status, or you or your spouse have changed address, please notify your employer or Plan Administrator at the address above.

## Acknowledgment/Election of New York State Continuation/COBRA Right

Employers's Name _____

Employers Address _____ Employer's Firm No. _____

| | NAME | DATE OF BIRTH | SSN |
|---|---|---|---|
| ☐ | Employee _____ | _____ | _____ |
| ☐ | Spouse _____ | _____ | _____ |

Name[s] of Dependent Child[ren]

| | | |
|---|---|---|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

**QUALIFYING EVENT:**

- ☐ *Date Employment Ended* _____
- ☐ *Date Employee Elected Medicare* _____
- ☐ *Date Employee Died* _____
- ☐ *Date of Divorce* _____
- ☐ *Date Child Ceases to be Eligible* _____

You and any of your family members who are covered on the *day before the qualifying event* are eligible to continue any of the following plans. If you choose not to continue one or more of these plans and your election period expires, you will not be allowed to re-enter the plan.

I elect to continue the following coverage:

| ELECT | WAIVE | TYPE OF COVERAGE | INSURACE CARRIER | MONTHLY COST |
|---|---|---|---|---|
| ☐ | ☐ | Hospital/Medical | _____ | $_____ |
| ☐ | ☐ | Hospital/Medical | _____ | $_____ |
| ☐ | ☐ | HMO | _____ | $_____ |
| ☐ | ☐ | Vision | _____ | $_____ |
| ☐ | ☐ | Dental | _____ | $_____ |

Any person covered on the day before the qualifying event can elect coverage, including a spouse or dependent child, even if the former employee does not elect coverage.

Your premium payments should be remitted directly to your employer, and is due by the first of each month. Payments NOT received on or before your 30-day grace period will result in cancellation of your New York State Continuation/COBRA coverage.

SIGNATURES:

Employee _____ Tel. No. _____ Date _____

Spouse _____ Tel. No. _____ Date _____

Dependent Child[ren] Signature(s)

_____ Tel. No. _____ Date _____

_____ Tel. No. _____ Date _____

_____ Tel. No. _____ Date _____

Employer Signature _____ Date _____

*Please Note: Spouse and dependent child[ren] signatures are required if any family benefits are being waived.*