

Consolidated Omnibus Budget Reconciliation Act (COBRA)

1076.1 PURPOSE AND SCOPE

The purpose of this policy is to comply with the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, amended by the Health Insurance Portability and Accountability Act (HIPAA) of 1996, requiring continuation of group health benefits, and to offer covered employees and their qualified beneficiaries temporary extension of their health benefits.

This policy applies to all employees and their qualified beneficiaries who are covered by the District's group health insurance plan.

COBRA is governed by federal law and the provisions of this policy are not intended to conflict with or supersede federal law. If any provision of this policy conflicts with federal law, federal law shall control.

1076.2 POLICY

It is the policy of Northwest Fire District to comply with COBRA, which requires that employers sponsoring group health coverage offer covered employees and their qualified beneficiaries the opportunity for a temporary extension of coverage at group rates in certain instances where coverage under the plan would otherwise end because of certain qualifying events. Those qualifying events are listed below:

- Separation of employment
- Reduction in work hours to less than 30 hours per week
- The death of a covered employee
- Divorce or legal separation from the covered employee
- Employee entitled to Medicare
- Dependent no longer meet requirements to be covered

The period of COBRA coverage may be 18 or 36 months from the date of the qualifying event depending on the type of qualifying event.

A group health plan may terminate continuation of coverage earlier than the end of the maximum period for any of the following reasons.

- Failure to pay premiums in full on timely basis,
- Eligible individual becomes covered under another plan
- Eligible individual becomes Medicare eligible
- Termination of the District's Group health insurance plan

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- A qualified beneficiary engages in fraud or other conduct that would justify terminating coverage

If the employee and their eligible dependent(s) elect to continue coverage of the District's group health plan, the employee and eligible dependent(s) shall be charged 100% of the entire premium plus an additional two percent (2%) to cover administrative costs.

Premiums are subject to change if the rates being charged to the District are increased or decreased.

1076.3 PROCEDURE

Covered employees and their qualified beneficiaries are notified of their COBRA rights upon initial enrollment in group health coverage.

Under COBRA, the covered employee or one of the qualified beneficiaries must notify the Human Resource Services within 60 days of the qualifying event, if the qualifying event is:

- Divorce,
- Legal Separation, or
- A child's loss of dependent status under the plan.

After the qualifying event, eligible individuals have 60 days to elect continuation of coverage. If coverage is elected, the District requires the payment in full plus a 2% administrative fee.

1076.4 ADDITIONAL INFORMATION

For additional information please contact Human Resource Services