

SECTION 211: COBRA CONTINUATION COVERAGE RIGHTS

211.1 POLICY: It is the policy of Black Hawk County to provide employees and their spouse and/or dependents children who are covered under the Black Hawk County Employee Medical and Prescription Drug Benefit Plan and Delta Dental Plan (the Plan), important information about their rights to COBRA continuation coverage, which is a temporary extension of coverage under the Plan.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to employees when they would otherwise lose their group health coverage. It can also become available to other members of the employee's family who are covered under the Plan when they would otherwise lose their group health coverage. For additional information about an employee's rights and obligations under the Plan and under federal law, the employee should review the Plan's Summary Plan Description or contact the Plan Administrator (Black Hawk County Auditor's Office or Human Resources Department). The Plan and this policy provide no greater COBRA rights than what COBRA requires—nothing in this policy is intended to expand the employee's rights beyond COBRA's requirements.

211.2 SCOPE: This policy applies to all employees and their spouse and/or dependents children who are covered under the Black Hawk County Employee Medical and Prescription Drug Benefit Plan and Delta Dental Plan.

211.3 COBRA CONTINUATION COVERAGE DEFINED:

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed below. After a qualifying event occurs and any required notice of that event is properly provided to the Black Hawk County Auditor's Office, COBRA continuation coverage must be offered to each person losing plan coverage who is a "qualified beneficiary." An employee, spouse, and dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage. COBRA notices will be sent to qualified beneficiaries by the county's third party administrator.

An employee will become a qualified beneficiary if he/she loses coverage under the Plan because either one of the following qualifying events occur:

- The employee's hours of employment are reduced, or
- The employee's employment ends for any reason.

The spouse of an employee will become a qualified beneficiary if he/she loses coverage under the Plan because any of the following qualifying events occur:

- His/her spouse dies (Coverage of the spouse of an active employee that dies shall continue until the last day of the month following the month in which the

active employee died. All applicable employee contributions shall be taken out the final check paid out on behalf of the deceased employee. If sufficient funds are not available, the County or applicable agency shall waive the unpaid portion of the deceased employee's premium contribution);

- His/her spouse's hours of employment are reduced;
- His/her spouse's employment ends for any reason;
- His/her spouse becomes entitled to Medicare benefits (under Part A, Part B, or both) prior to his/her qualifying event; or
- He/she becomes divorced or legally separated from his/her spouse.

A dependent child will become a qualified beneficiary if he/she loses coverage under the Plan because any of the following qualifying events occur:

- The parent-employee dies; His/her spouse dies (Coverage of the dependent child of an active employee that dies shall continue until the last day of the month following the month in which the active employee died. All applicable employee contributions shall be taken out the final check paid out on behalf of the deceased employee. If sufficient funds are not available, the County or applicable agency shall waive the unpaid portion of the deceased employee's premium contribution);
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason;
- The parent-employee becomes entitled to Medicare benefits (under Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child ceases to be eligible for coverage under the Plan as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under Title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to Black Hawk County, and that bankruptcy results in the loss of coverage by any retired employee covered under the Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

211.4 WHEN COBRA IS OFFERED: The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator (Black Hawk County Auditor's Office or Human Resources Department) has been notified that a qualifying event has occurred. Under the law, the employer is responsible for knowing when any of the following qualifying events occur: (1) voluntary termination; (2) involuntary termination; (3) reduction of hours or layoff; (4) death of employee; (5) Medicare entitlement of employee; and (6) employer's bankruptcy under Title 11 of the U.S. Code.

211.5 EMPLOYEE'S DUTY TO PROVIDE NOTICE OF SOME QUALIFYING EVENTS:

For other qualifying events such as divorce or legal separation of the employee and spouse or a child losing eligibility for coverage as a dependent child, the employee must notify the Plan Administrator within sixty (60) days of the date of the event or the date on which coverage would end under the Plan because of the event, whichever is later. In addition, the Plan Administrator must be notified if a disabled employee or family member

is no longer disabled. The employee must provide this notice to the Black Hawk County Human Resources Department located at 316 E. Fifth Street, Waterloo, Iowa 50703, and complete new insurance forms for identifying the type and date of the qualifying event.

211.6 HOW COBRA COVERAGE IS PROVIDED: Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries through the county's third party administrator. The COBRA Continuation Coverage Election Notice will include specific information on how long the COBRA coverage can last depending upon the qualifying event and the beneficiary losing coverage, in addition to the cost of COBRA continuation coverage.

Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children. Any qualified beneficiary for whom COBRA is not elected within the 60-day period specified in the Plan's COBRA election notice will lose his/her right to elect COBRA coverage.

Qualified beneficiaries who are entitled to elect COBRA may do so even if they have other group health plan coverage or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a qualified beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he/she becomes entitled to Medicare benefits or becomes covered under other group health plan coverage.

211.7 ADDITIONAL INFORMATION: Questions concerning the Plan or COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about the employee's rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) at 1-866-444-3272 or visit the EBSA website at www.dol.gov/ebsa.

211.8 ADDRESS CHANGES: In order to protect the rights of family members, the employee should keep the Plan Administrator informed of any changes in the addresses of family members. The employee should also keep a copy, for his/her records, of any notices sent to the Plan Administrator.

211.9 PLAN CONTACT INFORMATION: Information regarding the Black Hawk County Employee Medical and Prescription Drug Benefit Plan and/or Delta Dental Plan and COBRA coverage may be obtained from:

Plan Administrator:

Auditor's Office
316 E. Fifth Street, Waterloo, IA 50703
Telephone: (319) 833-3002

Human Resources Department
316 E. Fifth Street, Waterloo, IA 50703
Telephone: (319) 833-3009