

## COBRA CONTINUATION COVERAGE

### \*VERY IMPORTANT NOTICE\*

Federal law requires that employers sponsoring group health plans with more than 20 employees offer their employees and their families the opportunity for a temporary extension of health coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), 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.)

If you are the employee of the California State University, Bakersfield, Foundation covered by a health, dental and /or vision plan you have the right to choose this continuation coverage if you lose your group coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the spouse of an employee covered by the health, dental and/or vision plans, you have the right to choose continuation coverage for yourself if you lose group coverage under the health, dental and/or vision plans for any of the following four reasons:

1. The death of your spouse;
2. A termination of your spouse's employment (for reasons other than gross misconduct) or reduction in a spouse's hours of 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 health, dental and/or vision plans, he/she has the right to continuation coverage if group coverage under the health, dental and/or vision plans is lost for any of the following five reasons:

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

Under the law, the employee or a family member has the responsibility to inform the CSUB Foundation Benefits Office of a divorce, legal separation, a child losing dependent Model Notification (Cont.)

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status, or Social Security Disability determination within sixty days of the later of the date of the event or the date on which coverage would be lost under the health, dental and/or vision plans because of the event.

When the CSUB Foundation is notified that one of these events has happened, the CSUB Foundation will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least sixty days from the date you would lose coverage because of one of the events described above to inform the CSUB Foundation that you want continuation coverage. If you do not choose continuation coverage, your group insurance coverage will end.

If you choose continuation coverage, the CSUB Foundation 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 employees or family members. The law requires that you be afforded the opportunity to maintain continuation coverage for three years unless you lost group coverage because of a termination of employment or reduction in hours. In that case, the required continuation coverage period is eighteen months. This eighteen month period may be extended if other events (for example, divorce, legal separation, Social Security Disability determination, or death) occur during the eighteen month period. In no event will coverage last beyond three years from the date of the event that originally made you eligible to elect coverage. However, the law also provides that your continuation coverage may be cut short for any of the following reasons:

1. The premium for your continuation coverage is not paid on time;
2. You become entitled to Medicare;
3. You become covered under another group plan that does not have a pre-existing condition clause;
4. The CSUB Foundation no longer provides group coverage to any of its employees.

You do not have to show that you are insurable to choose continuation coverage. However, you will have to pay the entire premium for your continuation coverage. There is a grace period of at least thirty days for the regularly scheduled premium. (The law also says that, at the end of the eighteen months or three year continuation coverage period, you must be allowed to enroll in an individual conversion plan if one is provided under the health, dental, and/or vision plans.)

If you have any questions about the law, please contact the Human Resources Office at 654-2266. Also, if you have changed marital status or you or your spouse have changed address, please notify the Human Resources Office.