



# NOTICE about your Continuation of Dental/Vision Coverage Rights under COBRA

## Introduction

This Notice has important information about your right to COBRA continuation coverage, which is a temporary extension of dental and vision coverage offered by the Commonwealth of Kentucky and administered by the Personnel Cabinet's Department of Employee Insurance ("DEI"). DEI has retained HealthEquity (formerly referred to as WageWorks), to provide administration services and assistance with its COBRA responsibilities. HealthEquity, on behalf of DEI, will provide you with important information about your right to COBRA continuation of coverage.

**This Notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect your right to get it.** When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

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 you and other members of your family when group health coverage would otherwise end. For more information about your rights and obligations under federal law, you should review the dental or vision Certificates of Coverage or contact DEI.

**You may have other options available to you when you lose group health coverage.** For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

## What is COBRA continuation coverage?

COBRA continuation coverage is a continuation of coverage when it would otherwise end because of a life event. This is also called a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage is lost because of the qualifying event. Qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you're an employee, you'll become a qualified beneficiary if you lose your coverage because of the following qualifying events:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you're the spouse of an employee, you'll become a qualified beneficiary if you lose your coverage because of the following qualifying events:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage because of the following qualifying events:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage as a "dependent child."

## **When is COBRA Continuation Coverage Available?**

DEI will offer COBRA continuation coverage to qualified beneficiaries only after DEI has been notified that a qualifying event has occurred. The employer must notify DEI of the following qualifying events:

- The end of employment or reduction of hours of employment;
- Death of the employee;
- Commencement of a proceeding in bankruptcy with respect to the employer; or
- The employee's becoming entitled to Medicare benefits (under Part A, Part B, or both).

**For all other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), YOU must notify DEI within 60 days after the qualifying event occurs or the date coverage terminates, whichever is later. You must provide this notice, in writing, to the Department of Employee Insurance (contact information below). Oral notice, including by telephone, is not acceptable. You may also be required to provide additional information to support the Qualifying Event (e.g. a divorce decree, etc.).**

If DEI is provided timely notice of the divorce, legal separation, or a child's loss of dependent status, HealthEquity will notify the affected Qualified Beneficiaries of the right to elect continuation coverage.

If DEI is not provided notice of the divorce, legal separation, or a child's loss of dependent status during this sixty (60) day period, COBRA continuation will not be offered. If any claims are mistakenly paid

for expenses incurred after the divorce, legal separation, or a child's loss of dependent status, then you and your eligible dependent(s) will be required to reimburse Anthem, the insurer, for any claims so paid.

If your eligible dependent(s) loses coverage as a result of your death or your entitlement to Medicare, HealthEquity will automatically notify your eligible dependent(s) of the right to elect continuation coverage.

## **How is COBRA continuation coverage provided?**

Once DEI receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. 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.

COBRA continuation coverage is a temporary continuation of coverage that generally lasts for 18 months due to employment termination or reduction of hours of work. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.

There are also ways in which this 18-month period of COBRA continuation coverage can be extended:

### ***Disability extension of 18-month period of COBRA continuation coverage***

If you or anyone in your family with dental or vision coverage offered by the Commonwealth is determined by Social Security to be disabled and you notify DEI in a timely fashion, you and your entire family may be entitled to get up to an additional 11 months of COBRA continuation coverage, for a maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage.

For the disability extension to apply, you must provide a copy of the SSA Determination of Disability letter within the 18-month COBRA period, but no later than 60 days after the latest of: (1) the date of the SSA Determination of disability; (2) the date on which the Qualifying Event occurs; or (3) the date on which the Qualified Beneficiary loses coverage.

### ***Second qualifying event extension of 18-month period of continuation coverage***

If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if DEI is properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children getting COBRA continuation coverage if the employee or former employee dies; becomes entitled to Medicare benefits (under Part A, Part B, or both); gets divorced or legally separated; or if the dependent child stops being eligible as a dependent child. This extension is only available if the second qualifying event would have caused the spouse or dependent child to lose coverage had the first qualifying event not occurred.

## **Are there other coverage options besides COBRA continuation coverage?**

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, [Children's Health Insurance](#)

[Program \(CHIP\)](#), or other group health plan coverage options (such as a spouse’s plan) through what is called a “special enrollment period.” Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

## **Can I enroll in Medicare instead of COBRA continuation coverage after my group health plan coverage ends?**

In general, if you don’t enroll in Medicare Part A or B when you are first eligible because you are still employed, after the Medicare initial enrollment period, you have an 8-month special enrollment period to sign up for Medicare Part A or B, beginning on the earlier of

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

Go to <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods> for more Medicare enrollment information.

If you don’t enroll in Medicare and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and later enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.

If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA continuation coverage will pay second. Certain plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare. For more information visit <https://www.medicare.gov/medicare-and-you>.

## **If you have questions**

Questions concerning your dental or vision coverage should be addressed to Anthem at the number listed below. Questions concerning your COBRA continuation coverage rights should be addressed to HealthEquity at the number and address listed below. You may also review your dental or vision Certificate of Coverage at [kehpcy.gov](http://kehpcy.gov) for more information about your COBRA continuation of coverage rights.

For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA’s website.)

For more information about the Marketplace, visit [www.HealthCare.gov](http://www.HealthCare.gov).

## **Keep DEI informed of address changes**

To protect your family's rights, let DEI (through your Insurance Coordinator or Human Resource Generalist) know about any address changes for you or any of your covered eligible dependents. For your records, you should also keep a copy of any notices you send to DEI.

## **Contact Information:**

### **1) COBRA Administrator:**

HealthEquity  
P.O. Box 14055  
Lexington, KY 40512-4055  
Toll-Free Number: (877) 430-5519  
[www.WageWorks.com](http://www.WageWorks.com)

### **2) Dental and Vision Insurer:**

Anthem  
(844) 402-5347  
[Anthem.com](http://Anthem.com)

### **3) Department of Employee Insurance**

501 High Street, 2<sup>nd</sup> Floor  
Frankfort, KY 40601  
Member Services Branch Phone: (888) 581-8834 or (502) 564-6534  
[kehpn.ky.gov](http://kehpn.ky.gov)