

**For Inclusion in Summary Plan Description (SPD)**

**HEALTH INSURANCE CONTINUATION INFORMATION:**

**COBRA CONTINUATION COVERAGE**

**Introduction to COBRA:** This information is intended to provide information about your rights and responsibilities under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). This information does not change your status on the group health plan in any way. Rather, this information explains rights and responsibilities you may have in the future under the following group health plan(s):

GROUP HEALTH PLAN(S) SPONSORED BY: PacificSource Health Plans and Regence BlueCross BlueShield

**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 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).

If a COBRA qualifying event, which would terminate your group health plan coverage, occurs in the future, you would have the option to continue your coverage at your own expense. COBRA continuation coverage is the same group health plan coverage you had before your qualifying event. It is the same coverage provided to similarly situated active employees who have not experienced a qualifying event, but it does not include life insurance or disability coverage. Once you and your spouse or dependents (if any) become covered by the group health plan, there are specific qualifying events that may occur that cause you to lose coverage. Those events and the length of continuation coverage you could be allowed are:

Event	Duration of Coverage
Termination of employment (voluntary or involuntary, other than for gross misconduct)	18 months
Reduction in hours (layoff, leave of absence, reduced work hours, etc.)	18 months
Death of the covered employee	36 months
Divorce or legal separation	36 months
Covered employee's entitlement to Medicare	36 months
Dependent child ceasing to be dependent	36 months
Bankruptcy (Title XI) of the employer	Possible lifetime coverage for covered retirees and their spouses and dependents only

If your employer provides a retiree health plan, sometimes filing a proceeding in bankruptcy under Title 11 of the United States Code can be a qualifying event. If a bankruptcy proceeding is filed with respect to City of Albany, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary. The retired employee's spouse, surviving spouse and dependent children will also become qualified beneficiaries if the bankruptcy results in the loss of their coverage under the Plan.

**Health Flexible Spending Account (FSA):** Generally, continuation coverage would be available only for the remainder of the plan year in which the qualifying event occurred. Special rules govern FSA eligibility under COBRA. For additional information, please refer to the summary plan description for your FSA.

You may also experience a loss of coverage "in anticipation" of a qualifying event, such as a divorce or legal separation. If that happens, continuation coverage will be offered once the qualifying event has occurred (and has been reported within the proper time frames). In that case, coverage does not have to be provided from the date of your loss of coverage to the date of the qualifying event.

**Who can elect COBRA:** Each employee, spouse and dependent child covered by the group health plan the day before the qualifying event and who would lose coverage due to the qualifying event would be a COBRA qualified beneficiary. A child born to, or placed for

adoption with, the covered employee during the period of COBRA continuation would also be a qualified beneficiary, if the employer/plan administrator is notified within 30 days of the birth or placement for adoption.

Each qualified beneficiary has an independent right to elect continuation coverage under COBRA. This means all qualified beneficiaries, including a spouse and/or a dependent child, may elect single coverage. However, if two or more family members elect the same coverage, you will be required to pay the applicable premium for the closest level of coverage that a similarly situated active employee would have, such as "two-person" or "family". If the monthly premium for single coverage is not shown above, or if you wish to elect a level of coverage not shown in this notice, please call Infinisource at 800-594-6957 for more information. The covered employee or spouse may elect on behalf of all other qualified beneficiaries; a parent or legal guardian may elect on behalf of dependent children.

**How to elect COBRA:** Infinisource, Inc. mails COBRA notices on behalf of City of Albany, and Infinisource, Inc. is the party responsible for all other COBRA administration, including COBRA elections and payments. Infinisource is not an insurance company or the provider of benefits. Once a qualifying event occurs and is reported properly, City of Albany will instruct Infinisource to notify you, in writing, with specific information about your qualifying event. The notice will contain instructions for electing continuation coverage, as well as the last date on which you can elect. You will be allowed at least 60 days to elect continuation coverage. Verbal elections will not be accepted. If you elect continuation coverage, City of Albany has the right to verify your eligibility for coverage. If you are not eligible, continuation coverage may be denied or retroactively terminated.

The covered employee or spouse may elect on behalf of all other qualified beneficiaries; a parent or legal guardian may elect on behalf of dependent children. If you fail to timely elect, you will lose your right to continue coverage. Proof of timely election is your responsibility (the United States Postal Service offers several proof of mailing services). A COBRA election is deemed made on the date it is postmarked. If you waive continuation coverage in writing, you have 60 days from the later of the loss of coverage date or the date the notification was mailed to you to revoke your waiver and elect continuation coverage.

Any claims you incur during the waiver period may not be covered. Infinisource does not administer waivers of continuation coverage. Instead of waiving your COBRA rights if you do not want COBRA, you simply do not send in your COBRA Continuation Coverage Election Form. During your election period, you may find that you have been removed from the group health plan. Once you make a timely election and payment, your coverage will be reinstated retroactive to your loss of coverage date. If you do not elect, any expenses you incur will become your financial responsibility. You are not required to make a payment with your COBRA election, but coverage may not be reinstated until a timely payment is made. The time frame for reinstatement of coverage often depends upon the insurance company. To confirm your coverage status, please call the insurance company directly.

**Paying for Continuation Coverage:** Once you elect COBRA continuation coverage, it must be **paid for from the "Loss of Coverage" date forward in consecutive monthly payments**. Gaps in continuation coverage are not permitted. The first payment for coverage (including coverage retroactive to the loss of coverage) is due in full within 45 days of your election date. For monthly payments following your date of election, the premium is due, in full, on the "Day Due" each month as shown in the table above. Each monthly coverage period has a grace period of at least 30-days. If your first and last month's premiums are partial months, they will be prorated.

A COBRA payment is deemed made on the date it is postmarked (or when it is submitted online at Infinisource's website). **Payments made after any grace period ends (either the 45-day grace period, or a monthly 30-day grace period) are considered late, and will not be accepted.** City of Albany and Infinisource are not required to make exceptions based upon individual circumstances, and if you make a late payment, coverage will be terminated permanently, with no possibility of reinstatement. Invoices are not required, and you must postmark your payments by the monthly grace date even if you do not get an invoice. Returned checks (for instance, closed accounts, non-sufficient funds, or stop payments) are the same as no payment at all. Proof of timely payment is your responsibility (the United States Postal Service offers several proof of mailing services).

Certain states and certain plans may suspend coverage each month until payment is confirmed. Therefore, if you pay during your grace period your coverage and your claims may be temporary suspended each month. (This action is allowable under applicable federal COBRA law and regulations and may be required by certain state laws.)

**Extending Continuation Coverage:** If the qualifying event leading to your election of COBRA continuation coverage was your Termination or Reduction of Hours (or by any other name, a qualifying event that allowed for 18 months of continuation), you may be able to extend your COBRA continuation coverage period for two reasons.

**Social Security Disability Determination:** If any qualified beneficiary is determined to be disabled by the Social Security Administration, all qualified beneficiaries may receive an additional 11 months of COBRA continuation coverage (29 months total from the original qualifying event). To qualify for this extension **all** requirements must be met:

1. The qualified beneficiary must be disabled at any time during the first 60 days of continuation coverage.
2. The qualified beneficiary must provide the Social Security disability award letter to Infinisource within 60 days from the later of his or her "Event Date", "Loss of Coverage" date, or the date of the award letter.

3. The qualified beneficiary must provide the Social Security disability award letter to Infinisource before his or her 18-month continuation coverage period ends (refer to the "Coverage Expires" date above).

You must also follow the reporting instructions described at the end of this notice. During a disability extension, you may be charged up to 150% of the applicable premium (including the employer's cost) for the coverage. The increased cost begins in the 19th month.

If the Social Security Administration later determines that the disabled qualified beneficiary is no longer disabled, the disability extension will end. Continuation coverage will terminate for all qualified beneficiaries at the end of the month that is 30 days after the date of the Social Security Determination (but not before the end of the original 18 months). If you are determined to be no longer disabled, you must report this change within 30 days, following the instructions described at the end of this notice.

**Second Qualifying Events:** If a second qualifying event that would normally cause a loss of coverage as a first qualifying event (death of the covered employee, divorce or legal separation, or a dependent child ceasing to be a dependent child) occurs during the 18-month continuation coverage period, the spouse and/or dependent children who are qualified beneficiaries and who would have lost coverage may receive an additional 18 months of continuation coverage (36 months total from the original qualifying event). You may be eligible for this extension even if you have already been granted an extension of continuation coverage for Social Security Disability. You must report a second qualifying event within 60 days of the qualifying event.

You can report these events using the COBRA Event Notice on our website at [www.infinisource.com](http://www.infinisource.com) or by mailing in the notice or a description of the event. Please see the instructions at the end of this notice for more details. Once you report one of these events, Infinisource and "COMPANY\_NAME» will review your eligibility. If you are not eligible, you will receive a Notice of Unavailability that will explain why.

**Conversion Coverage:** After continuation coverage expires, you may be eligible to elect an individual conversion policy, if your group health plan has such an option. Conversion coverage is not the same as group health plan coverage, and it is not the same as continuation coverage. Rates and benefits may be different. For more information, refer to your plan booklet, summary plan description or contact the insurance company directly. Please examine your options carefully before declining this coverage. You should be aware that companies selling individual health insurance typically require a review of your medical history that could result in a higher premium or you could be denied coverage entirely.

### **Additional Website, Election, Event Reporting and Payment Instructions**

Copies of important documents relating to your COBRA rights, such as this notice, are available on our secure website, [\*\*www.infinisource.com\*\*](http://www.infinisource.com).

#### **Online Reporting of Disability Determination or Additional Qualifying Events**

Infinisource has a form titled the "COBRA Event Notice" on our website. From the login page, select "Employees/Participants", "Continuation Coverage" and enter your User ID and Password in the area provided.

#### **Paper Reporting of Disability Determination or Additional Qualifying Events**

You may call Infinisource at **(800) 594-6957** to request a "COBRA Event Notice" form.

You must report these events in writing, but use of the form is not required if you include the following information:

- Name, address and phone number of the covered employee
- Name, address and phone number of qualified beneficiaries experiencing the event
- Group health plan coverage
- The event experienced
- The date of the event
- For Social Security Disability Awards, you must include a copy of the award letter
- If deemed No Longer Disabled, you must also include a copy of that letter, and
- For all other events, you must include your signature and a statement that the event occurred as represented.

Send the "COBRA Event Notice" or other written format to:  
Infinisource, Attention: COBRA Event Notice  
PO Box 949  
Coldwater, MI 49036  
or fax to 517-278-0764.

**How long does COBRA continuation coverage last:** If you elect COBRA continuation coverage, your coverage will begin and end on the dates shown in the table above. COBRA continuation coverage may terminate earlier than the end date noted above for the following reasons:

- You first become, after the date you elect continuation coverage, covered by another group health plan
- You first become, after the date you elect continuation coverage, entitled to Medicare Part A, Part B or both
- Your payment is not timely made as described below.
- City of Albany ceases to provide any group health plan
- During any 11-month disability extension, a disabled qualified beneficiary is deemed no longer disabled by the Social Security Administration
- Your coverage is terminated for cause, such as fraud, on the same basis that coverage can be terminated under the City of Albany Plan for active employees.

After electing COBRA continuation coverage, you or any qualified beneficiary must notify Infinisource or City of Albany in writing within 30 days of:

- Becoming entitled to Medicare Part A, Part B or both; OR
- Becoming covered under another group health plan

Failure to provide this notice as required may result in retroactive termination of COBRA continuation coverage. Any expenses incurred during a period for which coverage is later terminated will become your financial responsibility, and may require repayment to the providers.

**HIPAA SPECIAL ENROLLMENT and COBRA:** You should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you keep continuation coverage for the maximum time available to you.

**More Information:** This notice does not fully describe your continuation coverage or other plan rights. You can find more complete information in your summary plan description, plan booklet or certificate. If you have questions about your COBRA rights, please contact Infinisource at (800) 594-6957. For more information about your rights under ERISA, including COBRA, HIPAA and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace and to locate an assister in your area who you can talk to about the different options, visit [www.HealthCare.gov](http://www.HealthCare.gov). It is important to keep City of Albany and Infinisource informed of address changes for all qualified beneficiaries. This notice contains important information about your rights and responsibilities under the COBRA law. Please keep this notice for future reference.

City of Albany contact information: Katie Forsman at 541-917-7529.

**Women's Health and Cancer Rights Act of 1998 (WHCRA):** WHCRA requires a group health plan to notify you, as a participant or a beneficiary, of your potential rights related to coverage in connection with a mastectomy. Your plan may provide medical and surgical benefits in connection with a mastectomy and reconstructive surgery. If it does, coverage will be provided in a manner determined in consultation with your attending physician and the patient for a) all stages of reconstruction on the breast on which the mastectomy was performed; b) surgery and reconstruction of the other breast to produce a symmetrical appearance; c) prostheses; and d) treatment of physical complications of the mastectomy, including lymphedema. The coverage, if available under your group health plan, is subject to the same deductible and coinsurance applicable to other medical and surgical benefits provided under the plan. For specific information, please refer to your summary plan description or benefits booklet, or contact City of Albany.

Printed 10/2020