



Group Health Plan

General Notice  
And  
COBRA Continuation Coverage Notice  
(and Addendum)



## **Important Information About Your COBRA Continuation Coverage Rights**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires that your group health plan (the Plan) allow qualified persons (as defined below) to continue group health coverage after it would otherwise end. COBRA applies to group health plans maintained by an employer for medical, dental, vision, prescription, medical reimbursement, and certain employee assistance programs. COBRA does not apply to life insurance or disability benefits.

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. Please review this Notice carefully and keep with your records. If you are married, please have your Spouse review these materials also. If any individual who is covered under the Plan(s) for which you are being offered continuation coverage does not live with you, you must advise the Plan Administrator (employer) immediately so a Notice and an Election Form can be forwarded to him or her. COBRA Notices will always be sent to the last known address of a covered Employee or Qualified Beneficiary.

COBRA continuation coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a "Qualifying Event." Specific Qualifying Events are listed below. It is the same coverage that the Plan gives to other participants or beneficiaries under the Plan. After a Qualifying Event, COBRA continuation coverage must be offered to each person who is a "Qualified Beneficiary." You, your spouse, and your dependent child(ren) could become Qualified Beneficiaries if coverage under the Plan is lost because of the Qualifying Event. Each Qualified Beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including open enrollment and special enrollment rights, if applicable. Under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

- I. Qualifying Events/Qualified Beneficiaries.** Those individuals eligible for COBRA continuation coverage as Qualified Beneficiaries are as follows:
- A. An Employee, Spouse, and any Dependent Child(ren) whose coverage ends due to termination of the Employee's employment for a reason other than gross misconduct (18 months).
  - B. An Employee, Spouse, and any Dependent Child(ren) whose coverage ends due to a reduction in the Employee's work hours/layoff (18 months).
  - C. An Employee's former Spouse and any Dependent Child(ren) whose coverage ends due to the Employee's divorce or legal separation (36 months). Also, if an Employee eliminates coverage for his/her Spouse in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, the later divorce or legal separation would be considered a Qualifying Event even though the ex-Spouse lost coverage earlier. If the ex-Spouse notifies the administrator within 60 days of the later divorce or legal separation and can establish that the coverage was eliminated earlier, in anticipation of the divorce or legal separation, COBRA coverage may be available for the period after the divorce or legal separation.
  - D. An Employee's Spouse and/or any Dependent Child(ren) whose coverage ends due to the Employee's entitlement to Medicare (36 months). This is very rare and generally only applies to enrollees in a retiree-only health plan who, under the terms of the plan, lose eligibility when becoming entitled to Medicare. It does not apply when an Employee's Spouse and/or Dependent Child(ren) lost eligibility under the Plan as a result of the Employee voluntarily terminating coverage under the Plan when he/she becomes entitled to Medicare, even though he/she continues to be a full-time employee otherwise eligible for benefits. The Employee will not have experienced a Qualifying Event, and COBRA will not be offered to the Spouse and/or Dependent Child(ren).
  - E. An Employee's surviving Spouse and/or any Dependent Child(ren) whose coverage ends due to the Employee's death (36 months).
  - F. An Employee's Dependent Child(ren) whose coverage ends because the child ceases to be a Dependent Child under the terms of the Plan (36 months).
  - G. An Employee's newborn child or child placed for adoption during a period of continuation coverage. You (or a guardian) have the right to elect continuation coverage for the child, provided the child satisfies the otherwise applicable Plan eligibility requirements (18 or 36 months from the date of Qualifying Event).
  - H. Dependent Child(ren) of the covered Employee who is receiving benefits under the Plan pursuant to a Qualified Medical Child Support Order (QMCSO) received by the Plan Administrator during the covered Employee's period of employment with the Plan Administrator is entitled to the same rights to elect COBRA as an eligible Dependent Child(ren) of the covered Employee upon occurrence of a Qualifying Event.
  - I. The original 18-month period of coverage available to a Qualified Beneficiary may be extended for an additional 18 months if a secondary event occurs during the initial 18-month continuation period. A secondary event is a

termination or reduction of hours/layoff followed by 1) death of the (former) Employee; 2) Medicare enrollment of the (former) Employee; 3) divorce or legal separation of the (former) Employee; or 4) Dependent Child(ren) of the (former) Employee ceasing to be a dependent. In secondary events, the 36 months of coverage extends from the date of the original Qualifying Event.

- J. If a bankruptcy proceeding under Title 11 of the United States Code results in the loss of coverage of a retired Employee under the Plan, the retired Employee is a Qualified Beneficiary and is entitled for coverage as long as he/she lives. This also applies to the retired Employee's Spouse and any Dependent Child(ren). If the retired Employee dies, the maximum coverage for any surviving Spouse and Dependent Child(ren) is 36 months after the retired Employee's death.

- II. Notification of Qualifying Events.** The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator (employer) 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 occurs: 1) voluntary termination; 2) involuntary termination; 3) reduction of hours/layoff; 4) death of Employee; 5) Medicare enrollment of Employee (this is very rare - please refer to explanation in Section I.D. above); and 6) employer's bankruptcy under Title 11 of the U. S. Code. The Employee or a family member has the responsibility to inform the Plan Administrator (employer) of a divorce, legal separation, or a Dependent Child(ren) losing dependent status under the Plan, within 60 days of the date of the event or the date on which coverage would end under the Plan because of the Qualifying Event, whichever is later. In addition, you must notify Wellmark Blue Cross and Blue Shield (Wellmark) if a disabled Employee or family member is determined to no longer be disabled. The notice must be given in writing. Notice will be deemed given when delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), sent by facsimile with confirmation of transmission by the transmitting equipment, or received, or rejected by the addressee if sent by certified mail, return receipt requested.

To enroll a newborn Dependent Child(ren) in COBRA during a period of continuation coverage or to enroll a Dependent Child(ren) placed for adoption, you or a family member must notify Wellmark of the birth or placement within the same time limits that pertain to enrollment of like dependents acquired by active employees.

- III. Election of Coverage.** Each Qualified Beneficiary has the right to independently elect coverage for himself/herself. Any or all Qualified Beneficiaries may elect to continue coverage without regard to the elections made by the other Qualified Beneficiaries. Parents may elect to continue coverage on behalf of their Dependent Child(ren). If your employer maintains three separate employer Plans (such as a medical, dental and vision plan), you have the right to choose only the Plans that you want. However, if the employer maintains only one consolidated group health plan (which may include medical, dental and vision) you must, in this case, elect or decline to elect COBRA coverage for the consolidated group health plan as a whole.

To continue coverage, complete the enclosed Election Form and return it to the address or fax number indicated on the Election Form. The Election Form must be completed and returned within 60 days after the Date of Notification reflected on the Election Form or within 60 days after the coverage would otherwise end, whichever is later. If the Election Form is not returned within the 60-day period, the continuation option expires. A Qualified Beneficiary may change a prior rejection of the continuation coverage any time until the end of the applicable 60-day period.

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage may affect your future rights under federal law, depending on the plan year of your group health plan. You should also take into account that you have special enrollment rights under federal law. You may 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 in Section I. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

- IV. COBRA Premiums.** You must pay the entire premium amount shown on the enclosed Election Form for your COBRA coverage. Your COBRA premium(s) include an additional 2% which is used to cover administrative expenses. If your COBRA coverage is extended to 29 months due to the disability provision explained in section VI, Item C, COBRA regulations allow premiums to be increased to 150% of the otherwise applicable premium for the 19th through 29th months of COBRA coverage. If you choose, you may submit your initial premium payment with the COBRA Election Form. If you do not submit your initial premium payment with the Election Form, or the premium payment is insufficient, your first full premium payment will be due on or before the 45th day after electing COBRA coverage. If you do not make your first full premium payment(s) for continuation coverage within 45 days, you will lose all continuation rights under the Plan(s).

Your first payment must cover the cost of continuation coverage from the time your coverage under the Plan(s) would have otherwise terminated through the end of the current month being billed. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. It is important to note that, if you have chosen automatic account withdrawal as your payment option, the initial withdrawal from your designated checking or savings account may be more than one month in order to pay your account through Wellmark's current billing period. If you have any questions regarding continuation coverage or payments, please feel free to call the Customer Service number listed on your Wellmark ID card. If you do not have your ID card, please call 1-800-524-9242 to speak with a Customer Service Representative. Payment(s) made at the time of election should be submitted and mailed with the Election Form.

After the initial premium payment, your monthly premium payment is due on the first day of each month for that month's COBRA coverage (for automatic account withdrawal, Wellmark allows a premium payment due date of the 1st or the 5th of the month). There is a grace period which expires on the 30th day after the first of the month. If a monthly premium payment is not remitted or cannot be withdrawn from the designated account (for automatic account withdrawal), for any reason, it is your responsibility to ensure that the premium payment is remitted by the end of the grace period for the month for which the premium payment is being paid, in order for coverage to continue. If you do not make the premium payment within the 30-day grace period, COBRA coverage will be cancelled retroactively to the first of the month. If your COBRA coverage is cancelled because you did not pay your premium within the 30-day grace period, you may request reinstatement of your COBRA coverage if your group allows reinstatements. Upon Wellmark's receipt of payment, including the reinstatement fee, within 30 days following the termination of your continuation coverage, your continued coverage may be reinstated so long as your group allows reinstatements.

If you have chosen automatic account withdrawal, premium payments will be withdrawn from your designated checking or savings account on the designated day (1st or 5th) of each month. If remitting premium payments after submission of the Election Form, the premium payments should be mailed, with your Wellmark ID number included, to the following address:

Wellmark Blue Cross and Blue Shield  
PO Box 14456  
Des Moines, IA 50306

Additional payment and invoice delivery options may be available to you through our website at [www.wellmark.com](http://www.wellmark.com).

There are specific times within the determination period when the Plan(s) may increase a Qualified Beneficiary's COBRA premium:

- 1) The Plan has charged less than the maximum amount allowed.
- 2) The permitted increase for the disability extension period begins in the 19th month.
- 3) A Qualified Beneficiary chooses to become covered under a more expensive Plan, when offered, or adds a new benefit, when offered.
- 4) A Qualified Beneficiary adds a family member, as allowed by the Plan that would cause the applicable premium to be higher for that family unit size.

## **V. COBRA Provisions.**

- A. Any Qualified Beneficiary may elect coverage for an eligible dependent (spouse, newborn child, adopted child, etc.) acquired during a period of continuation. Qualified Beneficiaries must apply to Wellmark for coverage of acquired eligible dependents within the same time limits that pertain to enrollment of like eligible dependents acquired by active employees. Please refer to your Coverage Manual or Summary Plan Description (SPD) for dependent eligibility and effective dates. Elections that are not timely made will be declined.
- B. Your continued coverage(s) will be subject to the same benefit and rate changes, when applicable, as the Plan. You will be notified of any changes in benefits or premium rates.
- C. During open enrollment, you will have the same options under COBRA coverage as active employees covered under the Plan. In addition, special enrollment rights under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will apply to those who have elected COBRA.

- D. If a Qualified Beneficiary moves outside the service area of a region-specific benefit package, the coverage will be changed to the same coverage available to an active employee moving to the same area.
- E. A complete description of the Plan provisions and benefits is outlined in your Coverage Manual or SPD.

**VI. Duration of COBRA Coverage.**

- A. If the Qualifying Event is termination of the covered Employee's employment or a reduction in hours/layoff, COBRA coverage continues for up to 18 months from the date on which coverage would otherwise end.
- B. If the Qualifying Event is a divorce or legal separation, the death of the covered Employee, the covered Employee's enrollment in Medicare (this is very rare - please refer to explanation in Section I.D. above), or the loss of dependent child status under the terms of the Plan, coverage continues for up to 36 months from the date on which coverage would otherwise end.
- C. If a Qualified Beneficiary or family member is disabled, an 18-month continuation coverage period may be extended to a maximum of 29 months for all Qualified Beneficiaries enrolled under the covered Employee's contract if the following conditions are met: 1) the Social Security Administration determines that the Qualified Beneficiary or family member is disabled at any time during or prior to the first 60 days of continuation coverage, and 2) the Qualified Beneficiary provides Wellmark with a copy of the Social Security Administration determination notice within the 18-month coverage period and no later than 60 days after a) the date the determination is made by the Social Security Administration, b) the date of the Qualifying Event, or c) the date on which the Qualified Beneficiary loses coverage under the Plan due to the Qualifying Event, using the delivery procedures specified in Section II. COBRA regulations allow the premium for COBRA coverage to be increased to 150% of the otherwise applicable premium, after 18 months of coverage, when COBRA coverage is extended due to disability. The non-disabled family members may also be charged up to 150% of the applicable premium if the disabled individual is included in the coverage.
- D. Coverage for a Qualified Beneficiary who is a covered Spouse or covered Dependent Child(ren) of the covered (former) Employee can increase to a maximum of 36 months if any of the following events occurs during the initial 18-month continuation period: 1) the covered (former) Employee dies; 2) the covered (former) Employee and Spouse are divorced or legally separated; 3) (for the Dependent Child(ren) only) the Dependent Child(ren) loses status as a dependent child under the Plan; or 4) the covered (former) Employee enrolls in Medicare. Requests for extended continuation coverage must be sent to Wellmark within 60 days after occurrence of any Qualifying Event. If the covered (former) Employee enrolled under Medicare Part A or B before experiencing a Qualifying Event based on terminating employment or a reduction of hours, the maximum coverage for the covered (former) Employee's covered Spouse and/or any covered Dependent Child(ren) will be the longer of 36 months beginning with the covered (former) Employee's enrollment under Medicare or 18 months (29 months with a disability extension) beginning with the date of covered (former) Employee would have had a Qualifying Event based on terminating employment or a reduction in hours/layoff.
- E. The request must be in writing using the delivery procedures specified in Section II. Upon receipt of your request, Wellmark will provide you with an election form for your completion.
- F. COBRA coverage will terminate (before the end of the maximum coverage periods described in paragraphs A through D above) on the earliest of the following dates:
  - 1. Retroactive to the first of the month for which the Qualified Beneficiary's monthly premium is not timely paid;
  - 2. On the date the employer ceases to maintain any Plan for its employees;
  - 3. On the date a Qualified Beneficiary enrolls in Medicare (applies only to the person enrolling in Medicare);
  - 4. Retroactive to the first of the month or on the date a Qualified Beneficiary becomes covered, after electing continuation coverage under another group health plan;
  - 5. For a Qualified Beneficiary entitled to 29 months of COBRA coverage due to his/her disability or the disability of a Qualified Beneficiary or family member under the same Qualifying Event, coverage will terminate during the 11-month extension if the Social Security Administration later determines that the formerly-disabled Qualified Beneficiary or family member is no longer disabled. The individuals affected must notify Wellmark within 30 days of any final determination that the Qualified Beneficiary or family member is no longer disabled. Coverage will

terminate the first of the month following 30 days after the date of the final determination that the Qualified Beneficiary or family member is no longer disabled. If a Qualified Beneficiary or family member is deemed no longer disabled, COBRA coverage for all Qualified Beneficiaries who were entitled to the disability extension will also terminate.

- VII. For More Information.** This Notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan may be available in your Coverage Manual or SPD or from your employer. You may request a copy of your Coverage Manual or SPD from your employer.

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 [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).

- VIII. Keep Your Plan Informed of Address Changes.** In order to protect your family's rights, you should keep your employer or the COBRA Administrator (if you have COBRA coverage) informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your employer or the COBRA Administrator.

- IX. Questions.** If you have any questions regarding continuation coverage or payments, please feel free to call the Customer Service number listed on your Wellmark ID card. If you do not have your ID card, please call 1-800-524-9242 to speak with a Customer Service Representative, or mail your questions to the following address:

Wellmark Blue Cross and Blue Shield  
COBRA Administrator, Station 3W395  
PO Box 9232  
Des Moines, IA 50306-9232

## ADDENDUM TO GENERAL NOTICE AND COBRA CONTINUATION COVERAGE NOTICE

### IMPORTANT INFORMATION REGARDING OTHER HEALTH COVERAGE ALTERNATIVES

When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation 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 the Health Insurance Marketplace?

The Marketplace offers "one-stop shopping" to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you'll also learn if you qualify for free or low-cost coverage from Medicaid or the Children's Health Insurance Program (CHIP). You can access the Marketplace for your state at [www.HealthCare.gov](http://www.HealthCare.gov) or call 1-800-318-2596.

Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA continuation coverage won't limit your eligibility for coverage or for a tax credit through the Marketplace.

#### When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a "special enrollment" event. **After 60 days your special enrollment period will end and you may not be able to enroll; so you should take action right away.** In addition, during what is called an "open enrollment" period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit [www.HealthCare.gov](http://www.HealthCare.gov).

#### If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a "special enrollment period." But be careful though - if you terminate your COBRA continuation coverage early without another qualifying event, you'll have to wait to enroll in Marketplace coverage until the next open enrollment period, and could end up without any health coverage in the interim.

Once you've exhausted your COBRA continuation coverage and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

#### Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you're eligible, you'll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.



## 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, Medicare, 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.

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>.

## What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive.
- **Provider Networks:** If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- **Drug Formularies:** If you're currently taking medication, a change in your health coverage may affect your costs for medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- **Severance Payments:** If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- **Service Areas:** Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.