

**Subject:** COBRA

**Date:** July 10, 1993

**Pages:** 1 of 1

**Replaces Policy Dated:** N/A

**PURPOSE:** To establish a policy governing continuation of benefits.

**SCOPE:** All full-time benefited employees and their qualified beneficiaries.

**STATEMENT OF POLICY:** It is the policy of Pinal County to comply with the provisions of the Consolidated Omnibus Reconciliation Act (COBRA). COBRA requires that employers sponsoring group health coverage offer participants and their qualified beneficiaries the opportunity for a temporary extension of coverage at group rates in certain instances where coverage under the plan would otherwise end because of certain qualifying events. Those qualifying events are listed below:

- ? Voluntary or involuntary termination employment (except for gross misconduct)
- ? Reduction of hours worked
- ? Termination due to employees disability
- ? Death of covered employee
- ? Employee entitled to Medicare
- ? Divorce or legal separation from employee
- ? Dependent no longer meets requirements

The maximum period may be extended to 36 months from the date of employment termination if another event occurs during the original 18-month period. The maximum period may be shortened for the following reasons:

- ? Failure to pay premium on time.
- ? Eligible individual becomes covered under another plan (as an employee or otherwise) unless the other plan excludes coverage for a pre-existing condition the individual has.

**PROCEDURE:** Participants and their qualified beneficiaries are notified of their COBRA rights upon initial enrollment in-group health coverage.

Under COBRA, the participant or eligible family member has the responsibility to inform the Pinal County Benefit Plan of a divorce, legal separation, or child losing dependent status within 60 days of the event.

After a qualifying event, eligible individuals have 60 days to elect continuation of coverage. If coverage is elected, the County requires the payment of the full premium plus a 2% service fee.

When notification is received that a qualifying event has occurred, the Pinal County Benefits Plan notifies eligible individuals of their rights to elect coverage.