

NUMBER: 347

SUBJECT: CONTINUATION OF INSURANCE COVERAGE (COBRA)

APPROVAL DATE OF LAST REVISION: JANUARY 24, 2011

PAGE 1 OF 3

347.1 – POLICY

Benefits eligible employees may elect to continue insurance coverage beyond the end of employment with Bridgerland Technical College or while on leave without pay.

347.1.1 – Government-mandated Continuation of College Group Medical and Dental Coverage

In accordance with the Continuation of Health Insurance Coverage Act, which is outlined in the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Bridgerland employees and their covered dependents (i.e., qualified beneficiaries) may continue health and dental coverage at their own expense (calculated at 102 percent of the group rate) after they lose eligibility due to a qualifying event. A qualifying event (this list is not intended to be all inclusive) may be one or more of the following:

347.1.1.1 – For Employees

- (a) Termination of employment, either through resignation, retirement, or dismissal (except in the case of gross misconduct);
- (b) loss of coverage due to a reduction in the number of hours worked, including leave without pay;
- (c) eligibility for Medicare benefits; and/or
- (d) disability.

347.1.1.2 – For Spouse/Dependents

- (a) Loss of coverage due to the employee's termination of employment or reduction in the number of hours worked;
- (b) death of the employee;
- (c) disability of the employee;
- (d) divorce or legal separation from the employee;
- (e) the employee becomes eligible for Medicare; and/or
- (f) loss of dependent child status (e.g., children who reach the maximum age limit under the plan ~~or who marry while still under dependent child status~~).

If benefits are lost due to termination or reduction in hours, the employee and his or /her dependents have continued coverage available to them for a period of 18 months.

The duration of continued coverage, which is made available for all other qualifying events, is 36 months. The duration of continued coverage for retirees (Section 300.349) and their spouses may extend from the time Bridgerland group coverage ceases beyond the required COBRA time lines until the individuals are age 65 and eligible for Medicare. The COBRA eligibility period will be 36 months from the date of the initial qualifying event for retirees, spouses of retirees, and their dependent children. Dependent children of retirees will be covered up to age 26 (if they are single) or up to the time the continued coverage for the retiree and/or the retiree's spouse ends, whichever occurs first. The initial

NUMBER: 347

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APPROVAL DATE OF LAST REVISION: JANUARY 24, 2011

PAGE 2 OF 3

qualifying COBRA date for retirees who separate under the provisions of the Retirement Incentive Policy (Section 300.349) will be the day early retirement begins. Bridgerland will pay premiums for the early retiree for the duration of insurance eligibility under Section 300.349. All other premiums for continuation of insurance will be paid by the retiree and/or spouse.

347.1.1.3 – Election/Notification

College employees have a certain period of time (as determined by COBRA and the insurance carrier) in which to elect continued coverage. If the employee does not elect continued coverage during this period, or if they give up their right to continued coverage, their decision is considered final. The employee will not have another opportunity to elect coverage.

The Controller's Office, or the medical insurance provider, will notify the employee, or his or her beneficiaries, of the right to continue coverage under these provisions if regular coverage would otherwise end because active employment ends, the employee retires, becomes entitled to receive Medicare benefits, has a reduction in hours, or dies. The employee, or beneficiaries, have 60 days from that notification or the date of the event (whichever is later) to elect continued coverage.

The employee, or his or her covered dependent(s), must notify the Controller's Office within 60 days of qualifying for the event if eligibility ends due to a divorce, legal separation, or the employee's covered dependent loses dependent status under a plan. Within a reasonable time (usually 14 days) after the employee notifies the Controller's Office, the employee, or covered dependent(s), will be notified by the medical insurance plan administrator of his or her right to continued coverage. The employee will then have 60 days from notification by the Controller's Office to elect continued coverage.

Complete details regarding the continued coverage, and the employee's, spouse's, and dependent's rights, responsibilities, premium charges, enrollment procedures, and when coverage ends are available from the Controller's Office.

347.1.2 – Special Death Benefit

Medical and dental benefits with premiums paid by Bridgerland will continue to the dependent(s) of a deceased employee until the last day of the month *following* the month of death.

347.1.3 – Continuation of Life and Long-term Disability Insurance While on Leave Without Pay (LWOP)

An employee on LWOP for a period of at least one (1) month but no greater than one (1) year may continue his or her life and short- and/or long-term disability insurance coverage by paying the appropriate premium(s) to the Controller's Office. (This section does not require employees who are working less than 12-month agreements to pay for their own coverage during the months when they are not actively working.)

Continuation of life and long-term disability insurance for periods of LWOP longer than one (1) year is not available.

NUMBER: 347

SUBJECT: CONTINUATION OF INSURANCE COVERAGE (COBRA)

APPROVAL DATE OF LAST REVISION: JANUARY 24, 2011

PAGE 3 OF 3

347.1.4 – Termination of Insurance Coverage

Employee participation in group medical, dental, life, and disability insurance programs ends when a terminating event occurs. Insurance coverage ends on the last day of the month for the last month that the employee works any day, except as otherwise provided by policy or special agreement authorized by the College President.

Terminating events include termination of employment (voluntary or involuntary), regular retirement, early retirement (except for medical and dental as provided in Section 300.349, Retirement Incentive, of the Policy Manual), leave without pay, or any status change which makes the individual ineligible for coverage under the contract provisions of the insurance plans.

347.2 – DEFINITION

347.2.1 – Qualified Beneficiary

The employee, or any beneficiary, covered under the College's benefit plans at the time of a qualifying event.

347.3 – RESPONSIBILITY

347.3.1 – Accounting Department

The Controller's Office is responsible for providing information necessary to assist an employee in analyzing his or her available options regarding his or her medical and dental coverage when faced with a qualifying event.

347.3.2 – Employee

The employee is responsible for notifying the Controller's Office in writing if they, or a dependent, have experienced a qualifying event other than termination, retirement, or a reduction in hours.